Company Code: 603583 Company Abbreviation: Jiechang Drive

Zhejiang Jiechang Linear Drive Technology Co., Ltd. 2024 Annual Report



JIECANG

Important Notice

I. The Board of Directors, the Board of Supervisors, and the directors, supervisors, and senior management of the Company guarantee the authenticity, accuracy, and completeness of the contents of this Annual Report. They confirm that there are no false records, misleading statements, or material omissions, and they assume individual and joint legal liability.

II. All directors of the Company attended the Board of Directors meeting.

III. Lixin Certified Public Accountants LLP (Special General Partnership) has issued an unqualified audit opinion on the Company's financial statements.

IV. Hu Renchang, the person in charge of the Company, Fang Hongqiang, the person in charge of accounting work, and Fang Hongqiang, the person in charge of the accounting department (accounting supervisor), declare: They guarantee the truthfulness, accuracy, and completeness of the financial reports in the annual report.

V. The profit distribution plan or capital reserve conversion plan for the current reporting period approved by the Board of Directors

The Company's 2024 profit distribution proposal is as follows: Based on the total share capital as of the record date for the distribution plan, a cash dividend of RMB 3.00 (tax inclusive) per 10 shares will be distributed to all shareholders. No capitalization of capital reserves into share capital will be conducted. As of December 31, 2024, the Company's total share capital was 383,456,555 shares. Based on this calculation, the total cash dividend proposed for distribution is RMB 115,036,966.50 (including tax) The cash dividend payout ratio for this fiscal year is 40.80%.

Should changes occur in the Company's total share capital between the date of this announcement and the record date for the distribution of rights and interests—such as share repurchases and cancellations due to equity incentive grants—the Company intends to maintain the per-share distribution ratio unchanged while adjusting the total distribution amount accordingly. Any subsequent changes to the total share capital will be announced separately with specific adjustment details. The Company's 2024 profit distribution plan remains subject to approval at the 2024 Annual General Meeting of Shareholders.

VI. Forward-Looking Statements Risk Disclosure

√ Applicable □ Not Applicable

Forward-looking statements in this annual report concerning future plans, development strategies, etc., involve uncertainties and do not constitute substantive commitments by the Company to investors. Investors are advised to be aware of investment risks.

VII. Non-Operational Funds Occupied by Controlling Shareholders and Other Related Parties: No

VIII. Whether there are any instances of providing external guarantees in violation of prescribed decision-making procedures: No

IX. Whether more than half of the directors cannot guarantee the authenticity, accuracy, and completeness of the disclosed annual report: No

X. Major Risk Disclosure

The Company has detailed potential risks in this report. Please refer to the section titled "Risks That May Be Faced" within the discussion and analysis of the Company's future development in Section III, "Management's Discussion and Analysis."

XI. Other

☐ Applicable √ Not Applicable

Table of Contents

Section I	Definitions	5
Section II	Company Profile and Key Financial Indicators	5
Section III	Management Discussion and Analysis	11
Section IV	Corporate Governance	36
Section 5	Environmental and Social Responsibility	50
Section 6	Important Matters	53
Section VII	Share Changes and Shareholder Information	71
Section 8	Preferred Stock Information	78
Section 9	Bond-Related Information	79
Section 10	Financial Reporting	80

List of Documents Available for Inspection	(1) Financial statements bearing the signature and seal of the company's responsible person, the person in charge of accounting work, and the head of the accounting department (accounting Supervising Personnel)
	(2) Original audit report bearing the seal of the accounting firm and the signature and seal of the certified public accountant.
	(3) Original copies of all company documents publicly disclosed during the reporting period and original drafts of announcements.

Section I Definitions

I. Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set forth below:

Common Terms		
China Securities Regulatory Commission, CSRC	Refers to	China Securities Regulatory Commission
SSE	Refers to	Shanghai Stock Exchange
Jiechang Drive, the Company, this Company	Refers to	Zhejiang Jiechang Linear Drive Technology Co., Ltd.
Reporting Period	Refers to	January 1, 2024 to December 31, 2024
The Company Law	Refers to	The Company Law of the People's Republic of China
Securities Law	Refers to	The Securities Law of the People's Republic of China
Articles of Association	Refers to	Articles of Association of Zhejiang Jiechang Linear Drive Technology Co., Ltd.
Shareholders, Shareholders' Meeting	Refers to	Shareholders and Shareholders' Meetings of Zhejiang Jiechang Linear Drive Technology Co., Ltd.
Directors, Board of Directors	Refers to	Zhejiang Jiechang Linear Drive Technology Co., Ltd. Directors, Board of Directors
Supervisors, Board of Supervisors	Refers to	Supervisors and Supervisory Board of Zhejiang Jiechang Linear Drive Technology Co., Ltd.
Controlling Shareholder and Actual Controller	Refers to	Mr. Hu Renchang
HISK Technology, HISK	Refers to	Ningbo Haishikai Drive Technology Co., Ltd., a wholly-owned subsidiary of the Company
Juyou Intelligent, Juyou	Refers to	Zhejiang Juyou Intelligent Technology Co., Ltd., a wholly-owned subsidiary of the Company
J-STAR USA, J-STAR USA	Refers to	J-STAR MOTION CORPORATION, a wholly-owned subsidiary of the Company in the United States
Germany Jiecang, Germany JIECANG		JIECANG Europe GmbH, the Company's wholly-owned subsidiary in Subsidiary

Jiechang Import & Export	Refers to	Xinchang County Jiechang Import & Export Co., Ltd., a wholly-owned subsidiary of the company
LEG	Refers to	Logic Endeavor Group GmbH, the Company's wholly-owned subsidiary in Austria and all its holding companies
Taiwan J-STAR, Taiwan J-STAR	Refers to	Taiwan J-STAR Co., Ltd., the Company's wholly-owned subsidiary in Taiwan
Hungary J-STAR, Hungary J-STAR	Refers to	J-Star Motion Hungary Kft., a wholly-owned subsidiary of the Company in Hungary
Brazil J-Star, Brazil J-STAR	Refers to	J-STAR MOTION DO BRASIL TECHNOLOGY LTDA, is the Company's wholly-owned subsidiary in Brazil
Agile Robotics	Refers to	Zhejiang Lingjie Robotics Components Co., Ltd., an associate enterprise of the Company
Audit Firm	Refers to	Lixin Certified Public Accountants LLP
Yuan, ten thousand yuan	Refers to	RMB yuan, RMB ten thousand yuan

Section II Company Profile and Key Financial Indicators

I. Company Information

Company Name in Chinese	Zhejiang Jiechang Linear Drive Technology Co., Ltd.
Company Abbreviation in Chinese	Jiechang Drive
Company Name in English	Zhejiang Jiecang Linear Motion Technology Co., Ltd.
Company's English Abbreviation	/
Legal Representative of the Company	Hu Renchang

II. Contact Person and Contact Information

	Board Secretary	Securities Affairs Representative
Name	Xu Mingfeng	Lao Yi
Address	Xinchang County, Shaoxing City, Zhejiang Province Provincial High-Tech Industrial Development Zone Park	Provincial High-Tech Industrial Park, Xinchang County, Shaoxing City, Zhejiang Province Park
Tel	0575-86760296	0575-86760296
Fax	0575-86287070	0575-86287070
Email	xmf@jiecang.com	laoy@jiecang.com

III. Basic Information Overview

Company Registered Address	Provincial High-Tech Industrial Park, Xinchang County, Shaoxing City, Zhejiang Province
Historical Changes to the Company's Registered Address	None
Company Office Address	Provincial High-Tech Industrial Park, Xinchang County, Shaoxing City, Zhejiang Province
Postal Code of Company Office Address	312500
Company Website	www.jiecang.com
Email Address	jczq@jiecang.com

IV. Information Disclosure and Retention Location

Media Outlets and Websites for Annual Report Disclosure	Shanghai Securities News, Securities Times

Website of the stock exchange where the company discloses its annual report	Shanghai Stock Exchange Website http://www.sse.com.cn
Location for Retention of the Company's Annual Report	Company Securities Investment Department

V. Company Stock Profile

Company Stock Overview				
Stock Type	Stock Exchange Listing	Stock Abbreviation	Stock Code	Former Stock Abbreviation
A-shares	Shanghai Stock Exchange	Jiechang Drive	603583	Not applicable

VI. Other Relevant Information

Accounting Firm Engaged by the Company (Domestic)	Name	Lixin Certified Public Accountants LLP
	Office Address	4th Floor, No. 61 East Nanjing Road, Huangpu District, Shanghai
	Signing Accountant Name	Shen Ligang, Tao Shucheng, Sun Feng
Sponsoring Institution Performing Ongoing Supervision Duties During the Reporting Period	Name	Credit Suisse Securities (China) Co., Ltd.
	Office Address	Unit 01A, 02, 03A & 20F, 89 Jinbao Street, Dongcheng District, Beijing 03A, and 20th Floor
	Signing Sponsoring Representative Name	Wu Liang, Zhao Liujun
	Period of Ongoing Supervision	January 1, 2024 to December 31, 2024

VII. Key Accounting Data and Financial Indicators for the Past Three Years

(1) Key Accounting Data of

Unit: RMB Currency: Renminbi

Key Accounting Data	2024	2023	Year-on-Year Change (%)	2022
Operating Revenue	3,652,016,316.77	3,033,991,040.54	20.37	3,006,591,845.65
Net profit attributable to shareholders of the listed company	281,976,704.08	205,962,500.74	36.91	327,751,652.94
Net profit attributable to shareholders of the listed company, excluding non-recurring gains and losses	241,400,145.50	170,809,176.82	41.33	287,380,390.91
Net cash from operating activities	508,888,238.52	675,460,309.40	-24.66	319,412,834.21
Net Cash Flow				
	End of 2024	End of 2023	Change from the same period last year at the end of the	End of 2022

(II) Key Financial Indicators of

Key Financial Indicators	2024	2023	Increase over the same period last year (%)	2022

Basic earnings per share (RMB/share)	0.74	0.54	37.04	0.86
Diluted earnings per share (RMB/share)	0.74	0.54	37.04	0.86
Basic earnings per share after deducting non-recurring gains and losses (CNY/share)	0.63	0.45	40.00	0.76
Weighted Average Return on Equity (%)	6.66	5.07	Increased by 1.59 percentage points	8.51
Weighted Average Return on Equity (ROE) after excluding non-recurring gains and losses (%) Return on Equity (%)	5.70	4.21	Increase of 1.50 percentage points	7.46

Explanation of Key Accounting Data and Financial Indicators for the Three Years Ending at the Reporting Period

☐ Applicable √ Not Applicable

VIII. Differences in Accounting Data Under Domestic and International Accounting Standards

(1) Differences in net profit and net assets attributable to shareholders of the listed company between financial reports disclosed under both International Accounting Standards and Chinese Accounting Standards

☐ Applicable √ Not Applicable

(2) Differences in net profit and net assets attributable to shareholders of the listed company between financial reports disclosed under foreign accounting standards and those disclosed under Chinese accounting standards

☐Applicable √Not Applicable

(3) Explanation of Differences Between Domestic and Foreign Accounting Standards:

☐ Applicable √ Not applicable

IX. Quarterly Key Financial Data for 2024

Unit: RMB Currency: Renminbi

	First Quarter (January–March)	Second Quarter (April–June)	Third Quarter (July–September)	Fourth Quarter (October–December)
Operating Revenue	709,126,699.15	867,219,724.80	991,635,787.28	1,084,034,105.54
Net profit attributable to shareholders of the listed company Net profit	69,369,220.43	119,788,360.29	104,039,960.49	-11,220,837.13
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	49,171,847.54	104,443,238.28	106,495,696.31	-18,710,636.63
Net profit attributable to shareholders of the listed company				
Net Cash Flow from Operating Activities	154,895,421.17	80,768,522.54	133,130,776.92	140,093,517.89
Net Amount				

Explanation of Differences Between Quarterly Data and Previously Disclosed Periodic Report Data

☐ Applicable √ Not applicable

X. Non-recurring gains and losses items and amounts

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Non-recurring items	Amount for 2024	Notes(if applicable) Applicable)	2023 Amount	2022 Amount
Gain or loss on disposal of non-current assets, including	-7,629,316.14		-1,691,246.89	-5,026,016.61

Reversal of previously accrued asset impairment provisions Partial				
Government grants recognized in profit or loss for the period, but which are closely related to the company's normal business operations, comply with national policy regulations, are enjoyed according to established standards, and have a continuous impact on the company's profit or loss, except for except	34,204,034.64		34,636,991.06	34,817,200.58
Except for effective hedging activities related to the company's normal business operations, gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses arising from the disposal of financial assets and financial liabilities 20,395,524.54	20,395,524.54		6,686,627.09	18,976,527.29
Interest income from non-financial enterprises from non-financial enterprises				
Fees for entrusting others to invest or manage assets Profit or loss				
Gains or losses from entrusted loans				
Asset losses incurred due to force majeure, such as natural disasters disasters				
Individual impairment testing of receivables Reversal of impairment allowance for such items				
The cost of an enterprise's investment in a subsidiary, associate, or joint venture is less than the fair value of the identifiable net assets of the investee entity to which the enterprise is entitled at the time of acquisition gains arising from the acquisition				
Current period net profit/loss of subsidiaries from the beginning of the period to the date of merger arising from business combinations under common control Net profit or loss				
Gains or losses on non-monetary asset exchanges				
Gains or losses on debt restructuring				
One-time expenses incurred by an enterprise due to the discontinuation of related business activities, such as employee termination benefits				

One-time gains or losses arising from adjustments to current period profit or loss due to changes in tax, accounting, or other laws and regulations Gains or losses on equity instruments				
One-time recognition of share-based payment expenses due to cancellation or modification of equity incentive plans One-time recognition of share-based payment expenses				
For cash-settled share-based payments, after the vesting date, gains or losses arising from changes in the fair value of employee benefits payable Fair value changes in employee benefits payable				
Fair value changes in investment property measured using the fair value model Gains or losses arising from changes in fair value of investment properties measured using the fair value model				
Gains or losses on transactions where the transaction price is significantly unfair Gains arising from transactions where the transaction price is grossly unfair				
Gains arising from transactions unrelated to the company's normal business operations			7,467,344.08	

or contingent items				
Fiduciary management fee income				
Other operating income and expenses not listed above Revenue and expenses	1,146,500.80		-167,300.19	-91,791.51
Other items meeting the definition of non-recurring gains and losses Profit/Loss Items				
Less: Income tax effect	7,423,098.57		11,625,967.81	8,304,657.72
Impact on Minority Interests (after tax)	117,086.69		153,123.42	
Total	40,576,558.58		35,153,323.92	40,371,262.03

The Company's determination of gains or losses arising from items not listed in the "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public–Non-recurring Gains and Losses"

For non-recurring items of significant amount, and for items listed in the "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public–Non-recurring Items" that are classified as recurring items, the reasons shall be explained.

☐ Applicable √ Not Applicable

XI. Items Measured at Fair Value

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Item Name	Opening Balance	Ending Balance	Current Period Changes	Effect on Current Period Profit Amount
Trading Financial Assets	8,863,781.75	179,025,395.09	170,161,613.34	238,510.74
Receivables Financing	19,095,661.03	1,651,152.56	-17,444,508.47	
Other Non-Current Financial Assets	10,000,000.00	10,000,000.00		
Trading financial liabilities	4,495,850.00		-4,495,850.00	-88,374.06
Total	42,455,292.78	190,676,547.65	148,221,254.87	150,136.68

XII. Other

☐ Applicable √ Not Applicable

Section III Management Discussion and Analysis

I. Discussion and Analysis of Operating Conditions

In 2024, under the leadership of the Board of Directors, the Company's management focused on optimizing the management system, comprehensively deepening quality improvement and efficiency enhancement, and continuously promoting the steady development of all business operations. During the reporting period, the Company strictly adhered to the requirements of laws and regulations such as the Company Law and Securities Law, as well as internal systems including the Articles of Association. It faithfully and diligently fulfilled its responsibilities, implemented resolutions of the Shareholders' Meeting and the Board of Directors, and successfully completed all tasks for the 2024 fiscal year.

During the reporting period, the Company achieved operating revenue of RMB 3,652,016,316.77, representing a year-on-year increase of 20.37%. Net profit attributable to shareholders of the listed company reached RMB 281,976,704.08, reflecting a year-on-year growth of 36.91%.Net profit attributable to shareholders of the listed company, excluding non-recurring gains and losses, reached RMB 241,400,145.50, representing a 41.33% increase year-on-year.

During the reporting period, the Company's primary business development activities were as follows:

(1) Deepening Global Layout and Efficiently Integrating Overseas Resources

In 2024, the company comprehensively and deeply optimized its global footprint, establishing a more competitive and sustainable structural framework.Actively responding to the national "Belt and Road" initiative, the Company steadily advanced the construction of its European logistics and production base projects, significantly enhancing localized service capabilities in Europe. Concurrently, it increased support for production bases in Malaysia and the United States, effectively integrating the advantageous resources of the LEG project. Through these measures, the Company comprehensively strengthened its overseas R&D, manufacturing, delivery, and service capabilities, markedly enhancing its risk resilience and continuously creating value for global customers.

(II) Innovation-Driven Development to Consolidate Technological Leadership

The company consistently prioritizes market demand and customer service as drivers, closely following industry trends while continuously increasing R&D investment. Leveraging innovation-driven approaches, it achieves iterative upgrades of products in new technologies and fields, delivering superior offerings to global customers to meet growing and evolving market needs. The company innovates its R&D management by implementing core IPD principles, comprehensively restructuring processes across the five major stages of product development. This effectively enhances collaboration and leadership within the R&D center's core team.During the reporting period, the company initiated plans to establish a Robotics Actuator Business Center, focusing on key areas such as linear actuators, rotary modules, and hollow cup motors, systematically advancing R&D, production, and market operations. The company continues to broaden talent recruitment and development channels, optimize training mechanisms, and actively attract scientific and technological talent, injecting fresh blood into the enterprise's high-quality development.

In 2024, annual R&D expenditures totaled RMB 232.32 million, representing 6.36% of operating revenue. This robust funding effectively supported the company's R&D and innovation needs, driving advancements in core technologies.During the reporting period, the company received honors including "Manufacturing Single Champion Enterprise," "Zhejiang Province's Second Batch of Chief Information Officer Pilot Enterprises," and "Shaoxing City Key Industrial Chain Leader Cultivation Enterprise." It also undertook the 2024 Provincial "Spearhead + X" R&D Breakthrough Program—Key Technology Research for High Thrust Density Electric Linear Actuators.

(3) Focusing on Cost Reduction and Efficiency Enhancement to Improve Profitability

During the reporting period, the company centered its efforts on "cost reduction and efficiency enhancement," deepening refined operational management. It focused on improving automation levels and production efficiency, effectively lowering product manufacturing costs through multiple measures, significantly boosting manufacturing efficiency, and enhancing product quality stability. By introducing advanced management concepts, the company comprehensively streamlined and optimized production processes, eliminating unnecessary steps and waste to tangibly improve production efficiency and product quality.Continuous efforts were made to increase revenue and reduce expenses, strengthening cost management. Meticulous cost reduction initiatives were implemented across multiple dimensions including product R&D, process technology, procurement, production, and sales services to enhance the company's operational profitability. Financially, a prudent strategy was maintained,

further refining the comprehensive budget management system, internal financial control framework, and financial information systems. Cost control was integrated throughout all aspects of production, operations, and management to reduce expenses, strengthen asset profitability, and improve capital utilization efficiency.

(IV) Practicing a People-Oriented Philosophy and Refining Talent Incentive Systems

In 2024, the company will fully enhance its multi-tiered talent system, optimize internal incentive mechanisms, and elevate overall operational efficiency. We will actively recruit outstanding technical and management talent externally and vigorously hire high-quality recent graduates to inject new vitality into all business segments, laying a solid foundation for steady and sustainable development.The company places high importance on the long-term, comprehensive development of internal talent. Through various methods such as organizing internal training, inviting external experts to lecture, and collaborating with professional institutions for training, it comprehensively enhances employees' overall capabilities and broadens the professional horizons of personnel in key positions. To fully stimulate the innovative vitality of technical personnel, the company has meticulously constructed a comprehensive talent incentive mechanism.Through multi-dimensional synergistic efforts—optimizing compensation and benefits, refining high-performance evaluation and qualification systems, and deeply integrating corporate culture with business philosophy—the company strives to create an optimal environment for attracting, cultivating, and retaining talent. This drives the company toward new leaps in development fueled by human capital.

(5) Enhancing Governance Standards and Strengthening Shareholder Returns

During the reporting period, the Company implemented multiple measures to advance its "enhancing quality, boosting efficiency, and prioritizing returns" initiative. The Company places high importance on delivering reasonable returns to investors. While balancing operational performance and sustainable development, it actively rewards investors through cash dividends, sharing business achievements with them and providing long-term, stable investment returns. The Company actively fulfills its social responsibilities, practices ESG development principles, and promotes high-quality sustainable development.

Since its listing, the Company has continuously enhanced its governance and standardized operations, strictly fulfilled its information disclosure obligations, and effectively protected the interests of all investors, particularly small and medium-sized investors, rewarding them with solid business performance.The Company strictly adheres to information disclosure requirements, publishing periodic reports, relevant documents, announcements of shareholder meetings and board resolutions, and major event announcements through designated media channels to ensure investors receive timely and accurate corporate information. Concurrently, it prioritizes investor relations management by establishing effective communication platforms and maintaining close engagement with investors via investor interaction platforms, telephone, and email.

II. Industry Overview During the Reporting Period

According to the "Guidelines for Industry Classification of Listed Companies" issued by the China Securities Regulatory Commission, the Company is classified under "C38 Electrical Machinery and Equipment Manufacturing." The Company's core business involves the production, sales, and R&D of linear drive systems and equipment, medical device components, and functional furniture and parts.

The Company operates within the linear drive industry, an emerging sector currently in its growth phase.As a key device enabling motion control functions in smart terminal products, linear drive products find applications across numerous smart terminal fields. Examples include smart height-adjustable desks, electric adjustment of medical and nursing beds, as well as various equipment in smart homes, industrial automation, agricultural automation, and automobiles. The principle involves a control system transmitting commands to mechanical structures, converting the circular motion of an electric motor into the linear motion of a push rod, thereby achieving the effect of pushing, pulling, or lifting heavy objects.Linear drive products deliver comfort, convenience, and user-centric experiences, serving as core components for numerous downstream industry products. While widely adopted in international markets, they remain in the market development phase domestically.

Originating in Europe, Denmark and Germany are home to globally leading linear drive manufacturers. Considering the current state of the global linear drive industry, these products have achieved widespread adoption worldwide. Mature application areas include:

（1） Smart Office Sector: Smart desks, motorized cabinets, height-adjustable office chairs, smart projection instruments, etc.

（2） Medical and Healthcare: Primarily used in hospitals, nursing homes, treatment centers, retirement homes, and private home rehabilitation settings. Specific applications include electric medical beds, nursing home care beds, home care beds, patient lifters, adjustable examination tables, treatment chairs, wheelchairs, and electric bathing chairs.

（3） Smart Home Sector: Height-adjustable sofas, senior chairs, adjustable home beds, massage chairs, massage

beds, height-adjustable TV stands, smart kitchen appliances, etc.;

(4) Industrial Technology Sector: Solar trackers, sweepers, harvesters, yachts, automobiles, stages, industrial equipment, etc.;

(5) Automotive Intelligence: Electric towbar systems, electric door systems, entertainment screen drive mechanisms, etc.

(6) Humanoid robotics sector: Linear joint actuators, rotary modules, hollow cup motors, etc.

Linear drive products are experiencing rapid growth both domestically and internationally, representing a high-growth niche emerging industry with substantial untapped demand potential. Long-term prospects are further bolstered by recent national policies promoting smart city development and the elderly care sector, creating a favorable internal environment for the linear drive systems industry.

III. Business Operations During the Reporting Period

(1) Main Business Operations

The Company primarily engages in the R&D, production, and sales of linear drive systems. The principle of linear drive involves transmitting commands from a control system to mechanical structures, converting the motor's circular motion into linear motion of a push rod to achieve pushing, pulling, lifting, or lowering of heavy objects.The Company's linear drive systems find extensive applications across medical care and rehabilitation, smart office solutions, smart home systems, industrial automation, and automotive intelligence. Its primary products are categorized by application into medical care and rehabilitation drive systems, smart office drive systems, smart home control systems, industrial automation control systems, and automotive intelligence control systems.

(II) Business Model

As a manufacturing enterprise, the company has developed an effective model for raw material procurement, product manufacturing, new product development, and sales over many years.

1. Production and Procurement Model

The company's production model is customer-demand driven, primarily adopting a "production based on sales" approach to meet diverse market requirements for product specifications, models, and configurations. Given the varied sectors of its downstream customers, the company's production features multi-variety, small-to-medium batches, and customized (non-standard) manufacturing.The production department determines operational production plans based on order status. Using the ERP system, it calculates material requirements, compiles material requirements plans, and submits them to the procurement department for organized purchasing. The procurement department is responsible for selecting suppliers, gathering market information on procurement materials, formulating procurement plans based on production schedules, executing purchases, and conducting commercial negotiations.

2. Sales Model

Product sales encompass both international and domestic markets, primarily conducted through direct sales channels. Domestic sales rely on direct client engagement, with sales representatives assigned regional responsibilities to conduct business via phone calls and in-person visits. International sales primarily involve direct sales to overseas downstream manufacturers, supplemented by partnerships with regional distributors in certain markets.

(1) Export Model

The company's collaboration with overseas manufacturers primarily follows an ODM model: the company designs and manufactures products based on the buyer's specifications and supplies them in bulk at competitive prices. This model fosters stable customer relationships, with business focus centered on clients and specific products. Profitability can be enhanced through continuous R&D and economies of scale, while order volume correlates with the client's product decision-making and market expansion capabilities.Under the ODM model, the company provides customized linear drive products tailored to market demands based on the regional market conditions of each strategic partner. Downstream customers leverage their brands and market channels to sell end products such as smart height-adjustable desks.

(2) Domestic Sales Model

The company's domestic sales operations are relatively small in scale but possess significant potential. Current sales are primarily concentrated in Guangdong, Jiangsu, Zhejiang, and other regions, with key clients including medical device manufacturers, furniture producers, and online marketing operators. The company designs and develops products based on client specifications, arranging mass production after sample testing.

The company's products are primarily integrated into downstream smart terminal devices. The current target market is Europe and America, regions with relatively developed economies and a greater emphasis on quality of life. With China's rapid economic development and rising household incomes, the consumption mindset of some consumers is evolving. They are increasingly embracing medical and home products that enhance healthcare environments and improve living standards. The domestic market represents a crucial future target for the company. Leveraging its successful overseas experience, the company will concentrate its overall resources to accelerate domestic market development.

IV. Analysis of Core Competitiveness During the Reporting Period

√ Applicable □ Not Applicable

1. Technological R&D Advantages

The company consistently prioritizes the construction and refinement of its R&D system. It holds certifications as a National High-Tech Enterprise, a National Intellectual Property Advantage Enterprise, and a Zhejiang Provincial Science and Technology Small Giant Enterprise. The company operates a Provincial Key Enterprise Research Institute and a Provincial Enterprise Technology Center, establishing robust product R&D and design capabilities. The R&D center designs and develops new products based on evolving trends in product styles and functional requirements within target markets, as well as actual customer needs. Multiple new product development projects are actively underway each year.

The company holds patents for its core product manufacturing technologies and continues to achieve breakthroughs. As of the end of the reporting period, the company has obtained 941 patents, including 111 domestic invention patents and 109 international invention patents.The company has been recognized as a National Champion Enterprise in Manufacturing, a National Intellectual Property Advantage Enterprise, a National High-Tech Enterprise, a Zhejiang Future Factory, a Zhejiang Science and Technology Small Giant Enterprise, a Zhejiang Management Benchmarking and Improvement Model Enterprise, a Zhejiang Hidden Champion, a Zhejiang Green Factory, and a Zhejiang Clean Production Enterprise. It has established the Zhejiang Key Enterprise Research Institute, the Zhejiang Enterprise Technology Center, the Zhejiang Overseas R&D Center, and an Academician Expert Workstation.The company is undertaking the Zhejiang Province 2024 "Pioneer Leader + X" R&D Breakthrough Program—Key Technology Research for High Thrust Density Electric Linear Actuators. The R&D project is progressing smoothly according to the established plan.Concurrently, it has completed 25 R&D projects including the AR Product Experience Center, stepless window openers, dynamic self-locking quick-install height-adjustable desk systems, DC motor noise optimization, and key heat treatment technologies for long-life electric drive gears along with specialized material development. The company participated in the development of national standards GB/T43814-2024 "General Technical Requirements for Smart Furniture,"GB/T45231-2025"Smart Beds," and the national industry standard QB/T5975-2024"Green Factory Evaluation Requirements for Plastic Furniture."

Since its establishment, the company's R&D team has accumulated robust technical expertise in new product design and application through systematic institutional arrangements and resource investments during long-term market and business practices. This forms a crucial foundation for continuously enhancing the company's core competitiveness in the future.

2. Advantages in Industry Standard Development

The industry standard for DC electric actuators (QB/T4288-2012) was proposed by the China National Light Industry Council, with the company leading its drafting. It was issued by the Ministry of Industry and Information Technology on May 24, 2012, and implemented on November 1, 2012. The industry standard for electric height-adjustable desks
(QB/T5271-2018) was proposed by the China National Light Industry Council, with the company leading its drafting. It was issued by the Ministry of Industry and Information Technology on May 8, 2018, and implemented on September 1, 2018.In 2021, the company chaired the drafting of the Zhejiang Manufacturing Group Standard T/ZZB2234-2021 "Electric Height-Adjustable Desk." As a major player in China's linear drive industry and a drafter of national industry standards, the company's products have gained widespread recognition for their quality and performance. They have been honored as Zhejiang Famous Brand Products, Zhejiang Export Brands, and Outstanding Industrial New Products of Zhejiang Province.

3. Sales Expansion Advantages

Since its establishment, the company has meticulously planned its market expansion strategies both

domestically and internationally. In its early stages, the company focused on developing traditional domestic application markets to consolidate its competitive position. Simultaneously, it conducted targeted research and development on product forms and functionalities favored by European and American markets, laying a solid foundation for future overseas expansion. The company actively participates in various international exhibitions.

Directly engage with clients to showcase the company's capabilities, promote products and services, and gather critical insights into overseas markets. Consumers in international markets, particularly in Europe and the Americas, place significant emphasis on office furniture purchases and demonstrate strong preference for the quality and functionality of smart office furniture. When entering overseas markets, the company not only highlights its advantages in pricing and quality but also places great emphasis on building brand reputation and fostering positive word-of-mouth.By collaborating with renowned local manufacturers to jointly develop overseas markets, the company has expanded its sales channels and customer resources. This strategic approach enabled it to seize the initiative in international market expansion before domestic competitors had fully established their overseas operations, securing a leading position in overseas market development. To better serve global clients, the company has established subsidiaries in the United States, Germany, Singapore, India, Japan, Malaysia, Austria, Hungary, Brazil, and other regions.

4. Production Scale and Product Quality Advantages

To better meet customer demands and advance the company's global development strategy, we have established production bases in Ningbo, Xinchang, Malaysia, the United States, and Europe. These facilities incorporate intelligent equipment such as high-speed SMT production lines, automated PCB visual inspection systems, fully automated assembly lines with visual guidance, and high-precision injection molding machine clusters. This enables us to deliver rapid bulk shipments to both domestic and international clients.In 2020 ( ), the company was designated as a "Future Factory" cultivation enterprise by Zhejiang Province. We have mapped out a blueprint for our future factory, aiming to transform it into a green, intelligent facility integrating smart decision-making, intelligent management, automated production, interconnected systems, advanced equipment, and smart warehousing.The company's product performance metrics have largely matched those of international brands. In recent years, significant achievements have been made in quality management, with multiple products obtaining certifications including CB, CE, GS, CCC, CQC, UL, ETL, PSE, KC, SAA, UKCA, FCC, IC , and others, enabling exports to global markets.The company holds GB/T 19001-2016/ISO9001:2015 Quality Management System GB/T24001-2016/ISO14001:2015 GB/T45001-2020/ISO45001:2018 Occupational Health and Safety Management System Certification and GB/T 23331-2020/ISO 50001:2018 Energy Management System Certification.

5. Business Philosophy Advantage

The company prioritizes rapid fulfillment of customer needs as its core business philosophy, responding swiftly to customized requirements. Under this customer-centric approach emphasizing responsiveness, the company offers flexible delivery cycles tailored to client specifications. Accepting customized production, the company leverages years of technical expertise to compete with international firms in sensor technology, synchronous control systems, and networking solutions. Seizing opportunities in customer customization, it delivers comprehensive tailored solutions with rapid response times, earning trust from domestic and international clients.

6. Talent Advantage

The company's founder is a technical expert in mechanical and electrical engineering, possessing extensive experience in advanced machinery manufacturing and mechatronics product R&D. He previously participated in the national "863" Program CIMS research team. The company has cultivated a team of highly skilled, young R&D professionals specializing in mechanical design, electronic engineering, automation control, embedded software, industrial design, and mold design. This comprehensive technical expertise enables strong innovative design capabilities.In recent years, as our products have expanded into European and American markets, the company has prioritized cultivating sales talent. This has resulted in a well-balanced team of multilingual business personnel, giving us a competitive edge in international sales compared to similarly sized industry peers.

7. Management Strengths

The company possesses a well-established management team specializing in the linear drive industry. This team demonstrates strong professional judgment regarding industry trends and possesses keen insight into identifying opportunities within the sector. Leveraging extensive experience, the company effectively navigates industry directions, capitalizes on market opportunities, and achieves outstanding operational performance.

Benefiting from sound strategic decisions and stable, efficient management, the company has gradually established a modern scientific management system covering new product development, raw material procurement, production operations, quality control, cost management, financial management, marketing, and brand building after years of exploration.

.

Building upon its competitive strengths in technological advancement, mature processes, standardized management, and brand excellence, the company has prudently implemented fundraising investment projects. Moving forward, the company will continue to increase investment in technological innovation, prioritize the introduction of advanced equipment, enhance the transformation of established processes, further refine management practices, strengthen brand influence, and expand sales channels.

V. Key Operating Conditions During the Reporting Period

During the reporting period, the Company's total assets amounted to RMB 6,494,172,233.49, representing a year-on-year decrease of 3.19%. Net assets attributable to shareholders of the listed company reached RMB 4,322,255,796.74, reflecting a year-on-year increase of 4.64%. The Company achieved operating revenue of RMB 3,652,016,316.77, up 20.37% year-on-year; net profit attributable to shareholders of the listed company was RMB 281,976,704.08, up 36.91% year-on-year; net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses was RMB 241,400,145.50, up 41.33% year-on-year.

(I) Analysis of Core Business Operations of

1. Analysis of Changes in Relevant Items on the Income Statement and Cash Flow Statement

Unit: RMB Currency: Renminbi

Item	Current Period Amount	Previous Year's Period Amount	Change Rate (%)
Operating Revenue	3,652,016,316.77	3,033,991,040.54	20.37
Cost of Sales	2,572,113,068.15	2,149,295,161.37	19.67
Selling Expenses	183,496,764.80	173,397,488.30	5.82
Administrative Expenses	246,840,059.76	222,735,335.17	10.82
Financial Expenses	-15,524,441.55	-163,313.50	N/A
Research and Development Expenses	232,323,168.61	208,188,646.15	11.59
Net Cash Flow from Operating Activities	508,888,238.52	675,460,309.40	-24.66
Net Cash Flow from Investing Activities	115,881,894.31	314,217,894.85	-63.12
Net Cash Flow from Financing Activities	-780,230,707.37	-575,171,246.92	35.65

Reason for change in financial expenses: Mainly due to an increase in foreign exchange gains during the period; Explanation of changes in net cash flow from investing activities: Primarily attributable to the recovery of maturing investments during the period; Explanation of changes in net cash flow from financing activities: Primarily attributable to the repayment of maturing borrowings during the period.

Detailed explanation of significant changes in the company's business types, profit composition, or profit sources during the current period

☐ Applicable √ Not Applicable

2. Revenue and Cost Analysis

√ Applicable ☐ Not Applicable

During the reporting period, the Company achieved operating revenue of RMB 3,643,582,336.63, representing a year-on-year increase of 20.65%. Operating costs amounted to RMB 2,571,571,965.93, reflecting a year-on-year increase of 19.74%.

(1). Breakdown of Main Business by Industry, Product, Region, and Sales Model

Unit: RMB Currency: Renminbi

Breakdown of Main Business Revenue by Industry						
By Industry	Revenue	Cost of Sales	Gross Profit Margin (%)	Year-on-Year Change in Operating Revenue (%)	Operating Costs Year-on-Year Change (%)	Change in Gross Profit Margin Compared to Previous Year (%)

Linear Drive Industry	3,643,582,336.63	2,571,571,965.93	29.42	20.65	19.74	Increase of 0.54 percentage points

Breakdown of Main Business by Product

By Product	Operating Revenue	Cost of Sales	Gross Profit Margin (%)	Year-on-Year Change in Operating Revenue (%)	Operating Costs Year-on-Year Change (%)	Gross Profit Margin Change from Previous Year (%)
Linear Drive Product	3,643,582,336.63	2,571,571,965.93	29.42	20.65	19.74	Increase by 0.54 percentage points

Main Business by Region

Revenue by Region	Operating Revenue	Cost of Sales	Gross Profit Margin (%)	Year-on-Year Change in Operating Revenue (%)	Operating Costs Year-on-Year Change (%)	Gross Profit Margin Change from Previous Year (%)
Overseas Regions	2,535,172,005.33	1,732,432,004.68	31.66	18.85	19.56	Decrease of 0.41 percentage points
Domestic Region	1,108,410,331.30	839,139,961.25	24.29	24.99	20.12	Increase of 3.07 percentage points

Breakdown of Main Business by Sales Model

Sales Model	Product	Operating Revenue	Cost of Sales	Gross Profit Margin (%)	Year-on-Year Change in Operating Revenue (%)	Operating Costs Year-on-Year Change (%)	Change in Gross Profit Margin from Previous Year (%)
Distribution		360,653,310.96	244,089,656.35	32.32	28.03	45.38	Decrease of 8.08 percentage points
Direct sales		3,282,929,025.67	2,327,482,309.58	29.10	19.89	17.57	Increase of 1.40 percentage points

Breakdown of Main Business by Industry, Product, Region, and Sales Model

During the reporting period, the Company's main business segments and product categories remained unchanged. Domestic revenue increased by 24.99% year-on-year, primarily due to the Company's proactive expansion of the domestic market.

(2). Analysis Table of Production and Sales Volume

√ Applicable □ Not Applicable

Primary Products	Unit	Production Volume	Sales Volume	Inventory	Production Volume Change from Previous Year (%)	Sales Volume Change from Previous Year (%)	Inventory Level Change from Previous Year (%)
Linear Drive Product	Units	4,527,461	4,321,582	867,605	30.95	39.76	31.11

Explanation of Production and Sales Volume

During the reporting period, the Company's production volume, sales volume, and inventory levels all increased compared to the same period last year, primarily due to the expansion of the Company's sales scale during this reporting period.

(3). Status of Major Procurement Contracts and Major Sales Contracts

□ Applicable √ Not Applicable

(4). Cost Analysis Table

Unit: RMB

Sector-Specific Analysis							
By Industry	Cost Component Item	Current Period Amount	Current Period as % of Total Cost (%)	Amount for Same Period Last Year	Percentage of Total Costs in Prior Year Period (%)	Change in Current Period Amount Compared to Same Period Last Year Example (%)	Explanation
Linear Drive Industry	Direct Materials	1,900,939,717.88	73.92	1,591,014,386.41	74.08	19.48	
	Direct Labor	199,537,336.91	7.76	154,833,651.59	7.21	28.87	
	Fuel and Power	36,596,389.48	1.42	28,996,125.12	1.35	26.21	
	Manufacturing Overhead	396,309,765.98	15.41	296,156,449.94	13.79	33.82	
	Tariff	38,188,755.68	1.49	76,602,034.19	3.57	-50.15	
	Total	2,571,571,965.93	100.00	2,147,602,647.25	100.00	19.74	
By Product							
By Product	Cost Components	Current Period Amount	Percentage of Total Cost for Current Period (%)	Amount for Same Period Last Year	Percentage of Total Cost in Prior Year Period (%)	Change in Current Period Amount Compared to Same Period Last Year Example (%)	Explanation
Linear Drive Products	Direct Materials	1,900,939,717.88	73.92	1,591,014,386.41	74.08	19.48	
	Direct Labor	199,537,336.91	7.76	154,833,651.59	7.21	28.87	
	Fuel and Power	36,596,389.48	1.42	28,996,125.12	1.35	26.21	
	Manufacturing Overhead	396,309,765.98	15.41	296,156,449.94	13.79	33.82	
	Tariff	38,188,755.68	1.49	76,602,034.19	3.57	-50.15	
	Total	2,571,571,965.93	100.00	2,147,602,647.25	100.00	19.74	

Cost Analysis Other Explanatory Notes

During the reporting period, the year-on-year increase in manufacturing overhead costs compared to the previous period was primarily attributable to the rise in the proportion of overseas production capacity. The year-on-year decrease in customs duties compared to the previous period was mainly due to the significant expansion of production capacity at the Company's manufacturing base in Malaysia.

(5). Changes in the scope of consolidation due to equity changes in major subsidiaries during the reporting period

☐ Applicable √ Not Applicable

(6). Significant Changes or Adjustments to the Company's Business, Products, or Services During the Reporting Period

☐ Applicable √ Not Applicable

(7). Major Customers and Suppliers A.

Major Customers

√ Applicable □ Not applicable

Sales to the top five customers amounted to RMB 712.4285 million, accounting for 19.51% of total annual sales. Among these, sales to related parties within the top five customers totaled RMB 0 million, representing 0% of total annual sales.

During the reporting period, did sales to any single customer exceed 50% of total sales? Were there any new customers among the top five customers, or was the Company heavily reliant on a small number of customers?

√ Applicable □ Not Applicable

Unit: CNY Currency: Renminbi

Serial No.	Customer Name	Sales Amount	Percentage of Annual Total Sales (%)

1	Unit 1	183,097,929.44	5.01
2	Unit 2	156,283,414.34	4.28
3	Unit 3	131,440,588.44	3.60
4	Unit 4	124,850,011.89	3.42
5	Unit 5	116,756,517.89	3.20

B. Major Suppliers of the Company

√ Applicable □ Not Applicable

The top five suppliers accounted for RMB 440.7228 million in procurement expenditures, representing 25.27% of the annual total procurement expenditures. Among these, related-party procurement from the top five suppliers amounted to RMB 142.8095 million, constituting 8.19% of the annual total procurement expenditures.

During the reporting period, did any single supplier account for over 50% of total procurement? Were there any newly added suppliers among the top five suppliers, or was there significant reliance on a small number of suppliers?

√ Applicable □ Not applicable

Unit: RMB Currency: Renminbi

Serial No.	Supplier Name	Purchase Amount	Percentage of Annual Total Procurement (%)
1	Unit 1	142,809,458.62	8.19
2	Unit 2	141,365,486.78	8.11
3	Unit 3	59,537,453.05	3.41
4	Unit 4	53,162,082.57	3.05
5	Unit 5	43,848,289.71	2.51

Other Notes:
None

3. Expenses

√ Applicable □ Not Applicable

Account	Current Period Amount	Previous Year's Amount	Change Ratio (%)	Explanation
Selling Expenses	183,496,764.80	173,397,488.30	5.82	-
Administrative Expenses	246,840,059.76	222,735,335.17	10.82	-
Research and Development Expenses	232,323,168.61	208,188,646.15	11.59	-
Financial Expenses	-15,524,441.55	-163,313.50	Not applicable	Primarily attributable to the increase in foreign exchange gains during the current period increase

4. R&D Expenditures

(1). R&D Expenditure Summary

√ Applicable □ Not applicable

Unit: CNY

Current Period Expensed R&D Expenditures	232,323,168.61
Capitalized R&D expenditures for the period	-
Total R&D Expenditures	232,323,168.61
R&D Expenditure as a Percentage of Revenue (%)	6.36
Proportion of R&D Expenditures Capitalized (%)	-

(2). R&D Personnel Status Table

√ Applicable ☐ Not applicable

Number of R&D personnel in the company	653
Percentage of R&D personnel relative to total company headcount (%)	13.79
Educational background structure of R&D personnel	
Educational Background Categories	Number of Employees by Educational Structure
Doctoral Degree	14
Master's Degree	55
Undergraduate	366
Associate Degree	176
High school and below	42
Age Structure of R&D Personnel	
Age Group Category	Number of Personnel by Age Group
Under 30 (excluding 30)	349
30–40 years old (including 30, excluding 40)	220
40-50 years old (includes 40, excludes 50)	66
50-60 years old (includes 50, excluding 60)	15
60 years old and above	3

(3). Situation Description

☐ Applicable √ Not Applicable

(4). Reasons for Significant Changes in R&D Personnel Composition and Their Impact on the Company's Future Development

☐ Applicable √ Not Applicable

5. Cash Flow

√ Applicable ☐ Not Applicable

Unit: RMB

Account	Current Period Amount	Previous Year's Amount	Change Ratio (%)
Net Cash Flow from Operating Activities	508,888,238.52	675,460,309.40	-24.66
Net Cash Flow from Investing Activities	115,881,894.31	314,217,894.85	-63.12
Net Cash Flow from Financing Activities	-780,230,707.37	-575,171,246.92	35.65

Reason for change in net cash flow from operating activities: Primarily due to an increase in accounts receivable;

Reasons for changes in net cash flow from investing activities: Primarily due to the recovery of maturing investments during the period; Reasons for changes in net cash flow from financing activities: Primarily due to the repayment of maturing borrowings during the period.

(2) Explanation of Significant Profit Variations from Non-Core Operations

√ Applicable ☐ Not Applicable

In accordance with Accounting Standard for Business Enterprises No. 8—Impairment of Assets and the Company's accounting policies, and with reference to the recoverable amount assessment and calculation of the relevant asset group (including goodwill) of Logic Endeavor Group GmbH conducted by a third-party professional appraisal firm, and based on the principle of prudence, the Company conducted an impairment test on the goodwill arising from the acquisition of 100% of Logic Endeavor Group GmbH in 2021. Based on the test results,the Company recognized a total goodwill impairment provision of RMB 129,742,200 for the 2024 fiscal year.

(3) Analysis of Assets and Liabilities of

√ Applicable ☐ Not applicable

1. Assets and Liabilities

Unit: RMB

Item Name	Current Period Ending Balance	Percentage of Total Assets (%)	Previous Period Closing Balance	Previous Period Ending Balance as a Percentage of Total Assets (%)	Percentage change in current period ending amount compared to previous period ending amount (%)	Situation Statement
Trading Financial Assets	179,025,395.09	2.76	8,863,781.75	0.13	1,919.74	Primarily attributable to increased wealth management activities during the current year
Notes receivable	9,937,817.24	0.15	34,602,005.72	0.52	-71.28	Primarily due to a decrease in bank-accepted bills during the current year .
Accounts Receivable	605,238,898.78	9.32	452,665,769.06	6.75	33.71	Primarily attributable to increased revenue during the current year
Accounts receivable financing	1,651,152.56	0.03	19,095,661.03	0.28	-91.35	Primarily due to a decrease in bank-accepted bills during the current year .
Other receivables	75,396,918.17	1.16	36,981,955.47	0.55	103.87	Primarily attributable to an increase in export tax rebate receivables
Contract Assets	48,489,078.49	0.75	22,723,611.26	0.34	113.39	Primarily attributable to increases in progress payments and warranty deposits .
— Non-current assets due within one year -	-	-	834,795,277.56	12.44	-100.00	Primarily attributable to the maturity of bank certificates of deposit held to maturity within one year. -
Construction in Progress	225,499,167.30	3.47	59,542,986.46	0.89	278.72	Primarily attributable to increased construction of the Hungarian factory
Goodwill	-	-	135,489,384.47	2.02	-100.00	Primarily attributable to goodwill impairment
Deferred expenses	10,468,082.93	0.16	7,995,226.09	0.12	30.93	Primarily due to increased renovation expenses and other amortization
Other Non-Current Assets	332,117,514.26	5.11	222,658,509.25	3.32	49.16	Other non-current assets Primarily attributable to an increase in large-denomination time deposits
Short-term borrowings	582,184,189.98	8.96	949,127,846.57	14.15	-38.66	Primarily due to a decrease in borrowings
Notes payable	273,050,324.63	4.20	207,396,701.37	3.09	31.66	Primarily attributable to an increase in bank-accepted bills
Accounts Payable	631,596,388.11	9.73	448,796,035.41	6.69	40.73	Primarily due to increased procurement payments
— Non-current liabilities due within one year current liabilities	182,419,261.65	2.81	381,650,045.08	5.69	-52.20	Primarily attributable to a decrease in long-term borrowings
Other current liabilities	10,197,332.18	0.16	16,643,296.50	0.25	-38.73	Primarily attributable to the decrease in endorsed but not yet matured bank acceptance bills .

Other Notes: None

2. Overseas Assets

√ Applicable □ Not applicable

(1) Asset Scale

Of which: Overseas Assets 4,179,011,236.06 (Unit: RMB Currency: RMB) accounting for 64.35% of total assets.

(2) Explanation for High Proportion of Overseas Assets

√ Applicable □ Not applicable

Unit: CNY Currency: Renminbi

Name of Overseas Assets	Reason for Formation	Operating Model	Revenue for the Reporting Period	Net Profit for the Reporting Period
United States J-STAR	Investment Establishment	Independent operation	856,698,246.76	27,445,009.72
Germany JIECANG	Investment Establishment	Independent operation	472,500,293.67	6,986,054.90
Japan J-STAR	Investment Establishment	Independent operation	6,232,399.58	-1,104,878.37
Malaysia J-STAR	Investment Establishment	Independent Operation	548,520,181.12	21,600,240.62
Indian Company	Investment Establishment	Independent Operation	8,000,828.75	248,784.93
Singapore J-STAR	Investment Establishment	Independent operation	779,097,296.98	23,590,552.53
LEG	Share Acquisition	Independent Operation	395,828,684.85	-106,490,258.99
Taiwan J-STAR	Investment Establishment	Independent operation	3,651,556.39	-1,763,864.74
Hungary J-STAR	Investment Establishment	Independent Operation	-	-3,162,428.91
Brazil J-STAR	Investment Establishment	Independent operation	-	-374,098.82

Note: LEG data includes all wholly-owned subsidiaries.

3. Restrictions on Major Assets as of the End of the Reporting Period

√ Applicable ☐ Not applicable

Item	End of Period				Beginning of Period			
	Book Balance	Book Value	Restricted Type	Restriction Status	Book Balance	Book Value	Restricted Category Type	Restriction Status
Cash and cash equivalents	104,661,986.16	104,661,986.16	Other	Letter of Credit and Accepted Bills Bill of Exchange Guarantee	40,519,043.51	40,519,043.51	Other	Accepted Bill of Exchange Margin
Cash and cash equivalents	2,591,856.00	2,591,856.00	Other	Customs Supervision Deposit	10,147,362.75	10,147,362.75	Other	Customs Supervision Deposit
Cash and Cash Equivalents	485,982.93	485,982.93	Other	Alipay-1688 Guarantee Certificate Gold	16,000.00	16,000.00	Other	Alipay-1688 Guarantee Deposit
Cash and Cash Equivalents	3,762,850.00	3,762,850.00	Other	Performance bond deposits				
Cash and cash equivalents					23,000.00	23,000.00	Other	ETC Frozen Funds
Notes receivable					975,000.00	975,000.00	Pledged	Pledged Bank Accepted Bills Notes
Notes receivable	8,947,023.02	8,947,023.02	Other	Endorsed or Discounted Promissory Notes Drafts	23,830,037.66	23,830,037.66	Other	Endorsed or discounted Negotiable Instruments
Accounts Receivable Financing					5,107,828.55	5,107,828.55	Pledged	Pledge of Bank Accepted Bills
Other Receivables					2,466,400.00	2,343,080.00	Other	Customs supervision deposits
Due within one year Non-current assets					575,640,000.00	575,640,000.00	Pledged	Certificate of Deposit Pledge
Fixed Assets	186,451,521.97	164,891,308.93	Mortgage	Mortgage Loans	177,492,774.99	162,838,433.79	Mortgage	Mortgage Loan
Total	306,901,220.08	285,341,007.04	/	/	836,217,447.46	821,439,786.26	/	/

4. Other Notes

☐ Applicable √ Not Applicable

(IV) Industry Operational Information Analysis

√ Applicable ☐ Not Applicable

See the descriptions in "Section III Management Discussion and Analysis" under "II. Industry Conditions During the Reporting Period," "III. Business Operations During the Reporting Period," and "VI (1) Industry Landscape and Trends."

(V) Analysis of Investment Status

Overall Analysis of External Equity Investments

√ Applicable ☐ Not Applicable

In September 2024, the Company jointly established Zhejiang Lingjie Robot Components Co., Ltd. with Zhejiang Lingqiao Intelligent Technology Co., Ltd. The registered capital is currently RMB 10 million, with the Company holding a 43% equity interest.

In December 2024, Xinchang Qingpingdiao Enterprise Management Consulting Partnership (Limited Partnership) transferred its 14% equity interest in Zhejiang Zhiyou Automobile Technology Co., Ltd. to the Company. The equity transfer has been completed, with the registered capital now standing at RMB 50 million. The Company holds a 94% equity interest.

For details regarding the parent company's equity investments in subsidiaries during the reporting period, please refer to the relevant section under "XIX. Notes to Significant Items in the Parent Company's Financial Statements: Long-Term Equity Investments" in Section X of the Financial Report.

1. Significant Equity Investments

☐ Applicable √ Not Applicable

2. Significant Non-Equity Investments

√ Applicable ☐ Not Applicable

The Company's significant non-equity investments for the current year pertain to projects funded by raised capital. The Company has separately prepared and disclosed the "Special Report on the Storage and Use of Raised Funds for the Year 2024."

3. Financial Assets Measured at Fair Value

√ Applicable ☐ Not applicable

Unit: RMB Currency: Renminbi

Asset Category	Opening Balance	Fair Value Change Gain/Loss for the Period	Cumulative Fair Value Changes Recognized in Equity	Impairment Charge for the Current Period	Gold Purchased During Current Period Amount	Current Period Sale /redemption amount	Other Changes	Ending Balance
Trading Financial Assets	8,863,781.75		-26,225.02				170,187,838.36	179,025,395.09

Securities Investment

☐ Applicable √ Not Applicable

Explanation of Securities Investment

☐ Applicable √ Not Applicable

Private Fund Investment Status

☐ Applicable √ Not Applicable

Derivative Investment Details

☐ Applicable √ Not Applicable

4. Specific Progress of Major Asset Restructuring and Integration During the Reporting Period

☐ Applicable √ Not Applicable

(VI) Major Asset and Equity Disposals

☐ Applicable √ Not applicable

(vii) Analysis of Major Controlled and Participating Companies

√Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Company Name	Business Scope	Registered Capital	Total Assets	Net Assets	Revenue	Net Profit
Haisikai	Research, development, manufacturing, and processing of linear drive systems and equipment for rehabilitation and healthcare (excluding medical devices requiring approval) as well as functional furniture and components; self-operated and agency import and export of goods and technologies, except for goods and technologies restricted or prohibited for import and export by the state. state-restricted or prohibited goods and technologies.	300 million RMB	1,315,104,411.34	579,771,307.08	1,077,659,374.75	71,681,983.91
Juyou Smart	Research, development, manufacturing, processing, wholesale, and retail of smart furniture and accessories; retail; import and export of goods and technology.	RMB 30 million RMB	50,577,623.11	17,052,538.15	93,939,522.30	12,911,599.75
United States J-STAR	Linear drive systems, medical device components, smart furniture, and components, as well as importing goods.	$40 million	668,876,389.84	460,242,998.68	856,698,246.76	27,445,009.73
Germany JIECANG	Linear drive systems, medical equipment components, smart furniture, and components.	2 million euros	210,085,778.60	69,747,723.32	472,500,293.67	6,986,054.90
Japan J-STAR	Import and sales of drive systems, medical equipment components, nursing care equipment, etc. Export and sales.	180 million yen	3,108,464.91	-3,988,419.26	6,232,399.58	-1,104,878.37
Jiechang Import and Export	Import and export of goods and technology.	5 million RMB RMB	780,508,581.76	75,340,957.32	1,181,107,144.06	15,658,024.32
Malaysia J-STAR	Design, R&D, manufacturing, and sales of smart devices and modules, mechanical equipment, electrical consumer goods, and their components; import and export of goods;	10,539.18 Malaysian Ringgit	718,187,573.09	203,371,386.34	548,520,181.12	21,600,240.62

Shiyou Technology	Research and development of electric motors and their control systems; electric motor manufacturing; manufacturing of vehicles for persons with disabilities; manufacturing of intelligent basic manufacturing equipment; manufacturing of metal fittings for construction; technical services, technical development, technical consulting, technical exchange, technology transfer, and technology promotion; general equipment manufacturing (excluding special equipment manufacturing) specialized equipment manufacturing (excluding licensed specialized equipment manufacturing) (except for projects subject to approval in accordance with the law except for items subject to approval under the law, business activities may be conducted independently in accordance with the business license).	RMB 15 million	43,501,060.75	8,253,133.73	46,725,339.33	1,365,886.58
Singapore J-STAR	Linear drive systems and equipment, medical device components, functional furniture and components sales, R&D; import and export of goods, etc.	17,269.60 Ten Thousand USD	1,626,022,397.05	1,263,720,484.82	779,097,296.98	23,590,552.53
Zhi You Technology	Automotive parts R&D; Automotive parts and accessories manufacturing; Automotive parts retail; Automotive parts wholesale (except for projects subject to approval as required by law, business activities may be conducted independently in accordance with the business license)).	50 million RMB	51,693,144.76	-4,482,998.88	16,828,836.27	-17,642,351.53
LEG	The company serves as an investment holding platform, with its subsidiaries primarily engaged in the adjustable furniture drive systems.	17,600 EUR	635,111,687.03	304,742,674.43	395,828,684.85	-106,695,297.99
Taiwan J-STAR	Research, development, and sales of intelligent electric lifting control systems and linear drive products and equipment, along with related services; import and export of goods, import and export of technology, etc.	NT$20 million	2,713,679.41	494,247.40	3,651,556.39	-1,763,864.74
Hungary J-STAR	Production, R&D, and sales of intelligent electric lifting control systems and linear drive products, equipment, and components; import and export of goods, technology import and export, etc.	1 million euros	304,512,820.92	285,384,119.63	-	-3,162,428.91

Brazil J-STAR	Linear drive systems, medical device components, smart furniture, and components, and importation of goods.	112.28 million reais Reais	1,052,427.68	996,752.29	-	-374,098.82

(8) Structure of Entities Controlled by

☐ Applicable √ Not applicable

VI. Discussion and Analysis of the Company's Future Development (I) Industry Landscape and Trends

√ Applicable □ Not Applicable

The Company operates in the linear drive industry, an emerging sector currently in its growth phase.As a key component enabling motion control functions in smart terminal products, linear drive products find applications across numerous smart terminal fields. Examples include smart height-adjustable desks, electric adjustment mechanisms for medical and nursing beds, and various devices in smart home, industrial, and agricultural automation. Their principle involves transmitting commands from a control system to mechanical structures, converting the motor's circular motion into linear motion of a push rod to achieve pushing, pulling, lifting, or lowering of heavy objects.Linear drive products deliver comfort, convenience, and user-centric experiences, serving as core components for numerous downstream industry products. While widely adopted in international markets, the domestic market remains in its early development phase.

(1) Overview of the Linear Drive Industry Development at Home and Abroad

Linear drive products originated in Europe, with globally leading manufacturers based in Denmark and Germany. Globally, linear drive products have achieved widespread adoption across mature application sectors, including:

① Smart Office Sector: Smart desks, motorized cabinets, height-adjustable office chairs, smart projection instruments, etc.

② Healthcare and Rehabilitation: Primarily used in hospitals, nursing homes, treatment centers, senior care facilities, and private home rehabilitation settings. Specific applications include electric hospital beds, nursing home care beds, home care beds, patient lifters, adjustable examination tables, therapy chairs, wheelchairs, and electric shower chairs;

③ Smart Home: Height-adjustable sofas, senior chairs, adjustable home beds, massage chairs, massage beds, height-adjustable TV stands, smart kitchen appliances, etc.;

④ Industrial Automation Sector: Solar trackers, cleaning vehicles, harvesters, yachts, automobiles, stages, etc.

⑤ Humanoid robotics sector: Linear joint actuators, etc.

China's linear drive industry began in the early 21st century. Currently, the domestic linear drive market remains in its growth phase, with significant room for expansion. Domestic linear drive products are primarily applied in smart office desks, electric hospital beds, nursing beds, ICU beds, dental chairs, electric wheelchairs, beauty beds, massage equipment, and other fields.

Linear drive products are developing rapidly in China, representing a high-growth emerging niche industry with substantial untapped demand potential. Long-term prospects are further bolstered by recent national policies promoting smart cities, elderly care services, and new productive forces like artificial intelligence and humanoid robotics, creating a favorable internal environment for the linear drive systems sector.

(2) Future Development Trends in the Linear Drive Industry

① Technological Innovation Will Become the Focus of Corporate Competition

Technological innovation is the driving force behind the continuous development of emerging industries. Future growth in the linear drive sector will increasingly emphasize technological innovation. Competition among manufacturers will primarily focus on the following areas: A) Product development and rapid response capabilities aligned with market demands; B) Key process technologies; C) Product quality. In the future, a company's innovation capacity will become the cornerstone of its market survival.

② Continuous Expansion of Product Application Fields

Advancements in modern computer technology and CNC systems have propelled significant progress in the intelligent equipment industry, markedly improving machining precision and efficiency. This has driven diversification in linear drive applications. Beyond traditional sectors like office furniture, medical devices, home appliances, and machine tools, linear drives are increasingly adopted in emerging fields such as wind power generation, rail transit, and electric vehicles. This trend objectively presents new development opportunities for the linear drive industry.

Future development will focus intensively on linear drive systems for smart home, smart office, automotive components, medical devices, and industrial automation sectors. As core components for numerous downstream products, these systems play a decisive role in the performance of end-use smart devices. The trend toward high-end and intelligent solutions demands that linear drive manufacturers continuously enhance technological R&D and production process capabilities throughout their manufacturing processes.

（3） Market Size Analysis

The company's core linear drive systems serve as critical supporting components for smart terminal devices, finding extensive application across multiple downstream sectors including but not limited to smart offices, medical care, smart homes, and industrial automation.

Linear drive systems primarily consist of linear actuators (electric push rods or lifting columns) and controllers. To meet the unique demands of diverse application scenarios, our products feature high levels of customization and differentiation. Market growth potential is primarily determined by the explosive demand from downstream application sectors, technological iteration and cost control capabilities, as well as policy and industry standard drivers. Currently, linear drive system products are propelling the intelligent transformation and upgrading of numerous downstream industry products.TECHNAVIO forecasts the global linear drive market will grow by $14.14 billion from 2024 to 2029, achieving a CAGR of 6.2%, with the market size projected to reach $54.44 billion by 2029.

① Smart Office Sector

The company's linear drive system products primarily serve the smart office sector through electric height-adjustable desks. According to Grand View Research, the global height-adjustable desk market is valued at approximately $8.139 billion in 2024, projected to reach $11.064 billion by 2030 with a CAGR of 5.3%.This growth trend stems from market drivers including the promotion of healthy office concepts within the downstream office furniture industry, the shift toward intelligent products, and the gradual replacement of traditional manual and pneumatic height-adjustable desks by electric models. The electric height-adjustable desk market is projected to maintain a higher CAGR in the coming years, with particularly rapid demand growth anticipated in broader office furniture segments such as commercial offices, home offices, education, and esports.

Currently, the maturity of the electric height-adjustable desk market varies significantly across global regions. In Europe and North America, the market has reached maturity, with penetration rates ranging between 20-30%.Driven by the growing popularity of healthy office concepts and supported by government and corporate policies, electric height-adjustable desks are widely adopted in both commercial and home office settings. Many enterprises now view them as essential tools for enhancing employee health and productivity. Furthermore, the rise of smart office solutions and remote work models further fuels market expansion. The Asia-Pacific region is currently experiencing rapid development in this market, with demand increasing annually in economically advanced countries like Australia, Japan, South Korea, Singapore, and others.

. Although overall penetration remains below 10%, the region holds significant growth potential due to modernizing office spaces, rising corporate demand for health-conscious work environments, and the emergence of smart furniture concepts. Markets in developing nations like China and India are poised for rapid expansion in the coming years.

In regions like the Middle East, Africa, and Latin America, the electric height-adjustable desk market remains in its infancy with very low penetration rates. Despite relatively rapid economic growth in these areas, the adoption of office furniture and healthy workplace concepts is still in its early stages. As these economies continue to develop and demand for healthy work environments grows, the penetration rate of electric height-adjustable desks in these markets is expected to gradually increase.

As the industry chain matures further, product costs decline, and technological innovation accelerates, the development space for electric height-adjustable desks will expand across global markets. From a product category perspective, these desks will not only capture a larger share in traditional commercial and home office markets but also gain increased application opportunities in vertical sectors like esports and education, ultimately becoming a core mainstream product in the global office furniture industry.

② Healthcare and Rehabilitation Sector

Linear drive systems find extensive application in the healthcare and rehabilitation sector, primarily covering medical devices, rehabilitation equipment, and elderly care devices. Currently, the company's core drive products serve terminal applications including electric hospital beds, electric nursing beds, patient lifts, and electric wheelchairs. Regarding the electric bed market in healthcare and rehabilitation, according to Beiersdorf Consulting research, the global market size for electric beds (including

ICU surgical beds, critical care beds, nursing beds, etc.) is projected to reach $3.08 billion. This market is expected to grow at a CAGR of 6.2% during the 2024-2029 forecast period.Regarding the patient transfer lift market, statistics from DIResearch indicate steady expansion. The global patient transfer lift equipment market reached RMB 10.89 billion in 2024 and is projected to reach RMB 19.27 billion by 2030, with a compound annual growth rate(CAGR)

The market size is estimated at 4.49 billion USD globally in 2024, with a projected compound annual growth rate (CAGR) of 12.3% from 2025 to 2030.

to 2030.

Key drivers propelling the growth of linear drive systems in the healthcare sector include: First, the accelerating pace of population aging. The United Nations' 2024 World Population Prospects report indicates that by the late 2070s, the number of people aged 65 and above is projected to exceed those under 18. Furthermore, the latest statistics and projections from the UN Department of Economic and Social Affairs reveal that the proportion of individuals aged 65 and above in the global population may rise from 6.8% in 2000 to 14.3% by 2040, entering a moderately aged stage.

the proportion of people aged 65 and above in the total population may rise from 6.8% in 2000 to 14.3% in 2040, entering a moderately aged society. By 2050, this proportion may increase to 16.3%, potentially reaching 21% in the latter half of the century, entering a severely aged society.The continuous growth of the global elderly population and the sharp increase in demand for medical and nursing services have driven up market demand for healthcare, rehabilitation, and elderly care. Secondly, with economic development and rising living standards, people have increasingly higher expectations for the quality of medical and nursing services. They are more inclined to choose more comfortable, advanced medical and nursing equipment. Linear drive products can enable equipment with functions such as precise height and angle adjustment, health monitoring, and more.Third, the steady growth in the number of medical, rehabilitation, and elderly care institutions, coupled with existing facilities' demand for environmental upgrades and equipment renewal, will further drive the expansion of the medical and healthcare equipment market.

③ Smart Home Sector

The concept of smart homes is broad, encompassing a diverse range of products. Currently, the company's linear drive systems and other electric drive products are primarily applied in smart electric beds, smart curtains (shade drives), and smart adjustable cabinets for living rooms, kitchens, and bedrooms.

In recent years, the global smart electric bed market has experienced rapid growth. According to the latest market research data from Grand View Research, the global smart electric bed market reached approximately $5.86 billion in 2023. It is projected to maintain steady growth from 2024 to 2030, with a compound annual growth rate (CAGR) of 18.4%. This growth is primarily driven by increasing consumer demand for personalization, comfort, and health benefits.Within the global market, North America remains a key region, particularly the United States, which is not only the largest but also one of the fastest-growing markets for smart electric beds. Market projections indicate the U.S. smart electric bed market will surpass the $5 billion mark by 2027, with an expected CAGR of 15.2% from 2021 to 2027.This growth in the U.S. market is fueled by an aging population and increasing consumer focus on sleep quality and healthy living. In contrast, smart electric bed penetration remains very low in other regions, with most markets still in the introductory phase. However, driven by rising consumer awareness and consumption upgrades—particularly the convergence of health, technology, and comfort needs—these markets hold significant potential.

Regarding the smart curtain market, Precedence Market Research indicates that the global market size reached approximately $3.59 billion in 2024, projected to grow to $3.78 billion in 2025. By 2034, it is expected to reach around $6.13 billion,with a compound annual growth rate (CAGR) of 5.50% from 2024 to 2034. This growth is primarily driven by consumer demand for convenient, comfortable, and energy-efficient lifestyles, supported by advancements in IoT technology, personalized consumption trends, and gradually decreasing production costs. As smart home ecosystems continue to mature, smart curtains will become an indispensable part of an increasing number of residential and commercial spaces.

④ Industrial Automation Sector

Currently, the company's linear drive system products are primarily applied in industrial automation sectors such as solar tracking systems, commercial cleaning robots, and automated farming. Potential application markets encompass automated production lines, AGVs, wind power, textiles, packaging, plastics,

construction, mining, and transportation.

Regarding the solar tracking system market, according to data from the International Energy Agency (IEA), global photovoltaic installed capacity has grown from 2010

Global photovoltaic (PV) installed capacity is projected to grow from 40 GW in 2015 to approximately 1,000 GW in 2023, reaching over 3,000 GW by 2030. This indicates sustained market expansion in the coming years, with an expected annual growth rate of 15%-20%.Global installed capacity for concentrated solar power (CSP) remains relatively small. Market forecasts indicate that by 2030, global CSP capacity will exceed 30 GW, with projects accelerating particularly in regions like the Middle East and North Africa. Linear drives used in solar tracking systems precisely adjust the angle of solar panels to maintain optimal sun exposure, boosting energy collection efficiency by 20%-30%.Driven by the rapid expansion of the global solar industry, growing demand for enhanced solar power generation efficiency, and strengthening policy support, solar tracking systems will witness broader application and market demand. As technology advances and the market matures, solar tracking systems will further reduce costs, improve efficiency, and propel the industry's sustainable development.

According to the latest report from QYResearch's research team, the global commercial cleaning robot market is projected to reach $1.71 billion by 2031, with a compound annual growth rate (CAGR) of 12.0% over the coming years. As market demand for intelligent, automated cleaning equipment increases, linear drive system products will play a crucial role in enhancing cleaning efficiency, adapting to complex environments, and optimizing cleaning functions for cleaning robots.Looking ahead, as technology advances and market competition intensifies, commercial cleaning robots will become increasingly intelligent. Linear drive systems will emerge as a key technology for enhancing robot performance and market competitiveness.

In the automated livestock farming market, statistical data indicates that the global livestock farming market has experienced sustained growth in recent years, primarily driven by population growth and increased consumer demand for meat and dairy products. According to a MarketsandMarkets report, the total value of the global livestock farming market is projected to reach approximately $1.3 trillion by 2025, with an average annual growth rate of about 6%. Linear drive systems hold extensive application prospects in the automated livestock farming market.As agricultural modernization accelerates, particularly in large-scale and intensive farming models, demand for automated equipment continues to rise. Linear drive systems, with their advantages of high efficiency, precision, and energy savings, will become indispensable components in automated farming systems. From automated feeding and manure removal to environmental control and intelligent health management, these systems will play a crucial role in enhancing farming efficiency, reducing labor costs, and optimizing animal welfare.As technology matures and costs decrease, their global adoption will become more widespread, propelling the farming industry toward greater efficiency, environmental sustainability, and intelligence.

In summary, the global market size for linear drive systems across smart offices, healthcare, smart homes, and industrial automation has reached tens of billions of dollars. With expanding downstream applications and growing demand for end products, the industry's future market prospects are exceptionally promising.

(II) Corporate Development Strategy

√ Applicable ☐ Not Applicable

The company will continue to uphold its core values of "Respecting Expertise, Pursuing Truth and Innovation, Striving for Excellence, and Advancing with Sincerity." Guided by its mission to "enhance the working environment and quality of life for society at large, making life better for all employees and partners," it is committed to vigorously developing the linear drive industry. Building upon its existing strengths in manufacturing, the company will further expand into downstream application areas.It will master core technologies with independent intellectual property rights, actively explore global markets, and strive to become a domestic leader in linear drive products, an industry technical benchmark, and a pioneer in technological innovation. The company aims to establish itself as a world-leading supplier of linear drive product solutions.

(3) Business Plan

√ Applicable ☐ Not Applicable

In 2025, the company's management will coordinate work arrangements around the corporate development strategy to ensure production and operations. We will explore new economic growth points to promote diversified development and increase R&D investment to enhance the company's market competitiveness. To ensure the smooth completion of business objectives, the company will carry out business activities in the following areas:

Innovation-Driven Diversified Growth: Maintain unwavering high-intensity R&D investment, positioning transformative innovation as the primary engine of development. Leverage keen market insights to identify novel growth opportunities, actively expand business domains, and fully advance the company's diversified strategic layout. This will enhance core competitiveness and developmental resilience within complex market environments.

Advancing Overseas Expansion to Fortify Supply Chain Resilience: Accelerate the construction and commissioning of logistics and production bases in Europe, initiate the expansion project for the Malaysian production base, and optimize the global supply chain layout. This will establish a robust and efficient supply chain system, ensuring the security and smooth operation of the global business chain while steadily realizing the strategic layout for worldwide development.

Coordinate resources and deepen market services: Scientifically coordinate and optimize internal resources, intensify market expansion efforts, establish an efficient rapid response mechanism for customer needs, further expand market share, and enhance the company's market presence.

Integrate Resources, Unify Development Synergy: Firmly establish an integration-driven philosophy, actively consolidate the company's advantageous resources in technology, branding, and channels, break down departmental barriers, and achieve efficient resource sharing and coordinated development. Transform the company's resource advantages into tangible competitive strengths in the market, unifying powerful synergy to drive sustained corporate development.

The above business plan is formulated based on the company's current development status and does not constitute a performance commitment or substantive promise to investors. Please be aware of investment risks.

(IV) Potential Risks

√ Applicable ☐ Not Applicable

1. Industry and Market Risks

（1） Risks associated with macroeconomic changes and cyclical fluctuations in downstream industries

Since its inception, the Company has focused on the R&D, production, and sales of linear drive systems. Its linear drive products are primarily applied in medical care, smart office, and smart home sectors, demonstrating broad applicability. Given the Company's close linkage with the development of these downstream markets, it is significantly impacted by macroeconomic shifts and cyclical fluctuations in these industries.In recent years, the linear drive industry has experienced rapid growth driven by increasing adoption of smart home and office automation technologies, alongside continuous improvements in medical support infrastructure. However, should significant macroeconomic fluctuations occur in the future, leading to slowed development in healthcare, smart office, and smart home sectors and deteriorating operational conditions among downstream manufacturers, the Company may face reduced orders, inventory buildup, and difficulties in collecting payments. Consequently, the Company is exposed to risks associated with macroeconomic changes and cyclical fluctuations in downstream industries.

（2） Risk of Intense Market Competition

Competition within the company's linear drive niche primarily manifests in capital strength, design capabilities, product quality, and timely support capacity. Established international linear drive manufacturers, having entered the industry earlier with longer operational histories, larger production scales, advanced technology and management, stable customer bases, and significant market share, have secured substantial market positions. These companies also leverage strong brand recognition and extensive distribution networks, further intensifying competition through their domestic subsidiaries.Moreover, with the rapid development of China's linear drive industry, major domestic manufacturers are expanding production capacity, intensifying market competition. As the Company continues to expand its domestic and international markets, failure to comprehensively enhance product competitiveness in areas such as financial strength, design and development, product quality, and timely support capabilities may result in a decline in market share. This could adversely affect the long-term, sustained growth of the Company's product production and sales scale.

（3） Risk of U.S. Tariff Policy Changes

Since 2018, the Company's exports to the North American market have been continuously impacted by U.S. tariff hikes. Particularly in 2019, export costs to North America rose significantly due to further U.S. tariff increases. According to Billing Code 3290-F0 documentation, certain smart office products exported to the U.S. are excluded from the tariff list, with the exclusion effective from September 24, 2018, to 2020.

On August 7, within the exclusion period, the company may apply for a tax refund. From March 15, 2020, to August 7, 2020,

the company's primary exports to the United States were exempt from tariffs. Effective August 7, 2020, tariffs were reinstated on the company's exports to the United States at a rate of

25%. On April 10, Eastern Time, the U.S. government announced that the "reciprocal tariff" rate on Chinese imports to the United States would be further increased to

125%, creating uncertainty regarding Sino-US tariffs.

2. Operational Risk

（1） Risk of Gross Margin Fluctuations

As the company's sales revenue continues to expand, if its main products cannot maintain high gross profit margins, and if the company fails to effectively sustain gross profit margins for its main products through increased R&D investment to enhance product technology and added value, strengthened cost control, or expanded application areas—thereby offsetting the impact of declining sales prices or changes in sales revenue structure—the gross profit margin of the company's main business may decline.

（2） Risk of Fluctuations in Key Raw Material Prices

Raw material costs constitute a major component of the Company's production expenses. Key production inputs include sheet metal components, electronic components, circuit boards, steel, motors, and other accessories. Fluctuations in raw material prices significantly impact product costs, thereby substantially affecting gross profit margins.

Fluctuations in raw material prices may affect the production costs and gross profit margins of the Company's products, causing fluctuations in the Company's operating performance and exposing it to certain operational risks.

（3） Risk of Renminbi Exchange Rate Fluctuations

The Company's export products are primarily settled in US dollars. In recent years, the RMB exchange rate against the US dollar has experienced considerable volatility, which has to some extent affected the profitability of the Company's export products.

In the future, as the fundraising investment projects are completed and put into operation, the company's overseas market sales scale will further expand, and export revenue will increase. Although the company has taken multiple measures, such as strengthening communication and interaction with customers and signing some foreign exchange forward contracts, exchange rate fluctuations will still affect the company's export business and operating performance.

（4） Performance Fluctuation Risk

The company has rapidly expanded its overseas sales network in recent years, vigorously developing markets in North America and Europe, resulting in accelerated performance growth. By prioritizing brand building and reputation management, the company has achieved significant profit growth advantages. However, the linear actuator industry is an emerging sector. It may face uncertainties in product sales and profit growth due to factors such as slow domestic market expansion and intensifying international competition. Therefore, the company faces risks of performance fluctuations in the future.

（5） Risk of Relatively High Customer Concentration

The linear drive control systems produced by the company serve as critical components for downstream smart terminal products, finding widespread application in medical care, smart offices, smart homes, and other fields. Major clients include domestic and international manufacturers in the medical, office equipment, and home appliance sectors. The top five clients enjoy high market recognition in their respective regions, resulting in a relatively high concentration of the company's customer base.

The Company has established stable cooperative relationships with its top five customers. Should customer concentration continue to rise in the future, operational risks may arise due to changes in demand from individual

customers.

3. Management Risk

(1) Management Risks Associated with Business Expansion

The company has established a mature management system and organizational operating model, cultivating a team of managers with advanced concepts, broad perspectives, and extensive experience. Since its listing, the company's assets and operational scale are expected to grow significantly. Organizational structures and management systems will become more complex, placing higher demands on operational management systems, internal control systems, and management personnel. If the company fails to promptly enhance its management capabilities and recruit high-caliber management talent, it may struggle to adapt to future growth and market changes, thereby incurring corresponding management risks.

（2） Risk of Technical Talent Loss

The company's core business involves the R&D, production, and sales of linear drive systems. These systems serve as critical components enabling motion control functions in smart terminal products, requiring high technical sophistication. Technical personnel must not only possess specialized knowledge and skills but also demonstrate a thorough understanding of industry-related expertise. Competence in R&D roles typically demands years of learning and accumulation through production and R&D practice.

The company consistently prioritizes technological innovation as its foundation, emphasizing talent acquisition and development. It continuously expands and optimizes its R&D team during business growth and technological advancement, cultivating a stable and reliable core of technical personnel.The technical proficiency and R&D capabilities of core technical personnel are pivotal to maintaining the company's core competitiveness. The company has established corresponding incentive mechanisms and management systems. Although the company has implemented a series of measures to stabilize its core technical personnel team with positive results, the possibility of losing key technical personnel cannot be entirely ruled out. Should the company experience the departure of core technical personnel, it would adversely impact technological R&D and sustainable development.

（3） Risk of Shortage of Highly Skilled Technical Workers

The company's overall production and operations rely not only on the R&D team but also on highly skilled technical workers on the production front lines. The company has consistently prioritized the recruitment and development of skilled technical personnel, establishing and refining effective incentive mechanisms for these workers while providing competitive benefits. Concurrently, the recruitment and training of highly skilled technical workers remain integral components of the company's daily operations.Currently, the company maintains a stable workforce of skilled technicians. However, as business scale continues to expand, the inability to secure sufficient high-quality technical personnel in the future may constrain business development.

（4） Technical Risks

As a high-tech enterprise, the company places significant emphasis on technological innovation capabilities. Its linear drive products are currently applied in sectors such as medical care, smart offices, and smart homes. Future linear drive products will enhance performance in areas like noise reduction, increased thrust, and improved movement speed, expanding their application scope.The company places great emphasis on cultivating independent innovation capabilities. Based on industry trends and customer requirements, it continuously develops new technologies, products, and processes to consolidate its technological leadership in the linear drive sector. Failure to sustain technological innovation and reserves, or to synchronize product R&D with production capacity, could result in products failing to meet industry demands. This would expose the company to the risk of market elimination, impacting its market share and the sustained growth of its operating performance.

4. Financial Risk

（1） Risk of Bad Debts on Accounts Receivable

The Company's ending balance of accounts receivable primarily consists of trade receivables within credit terms. Failure to collect these receivables in a timely manner could adversely affect the Company's cash flow and financial position.

（2） Risk of Export Tax Rebate Policy Changes

The Company's primary products are primarily sold through exports. Exported products are subject to tax policies of "exemption, credit, and refund" or "refund and exemption," with the export tax rebate rates for major products remaining largely stable. Should the export tax rebate rates for major products decrease in the future, it would adversely affect the Company's operating performance, exposing the Company to risks associated with fluctuations in export tax rebate rates.

(V) Other

☐ Applicable √ Not applicable

VII. Explanation of Circumstances and Reasons for Non-Disclosure of Information as Required by the Standards Due to Non-Applicability, State Secrets, Trade Secrets, or Other Special Reasons

☐ Applicable √ Not applicable

Section IV Corporate Governance

I. Explanation of Corporate Governance Matters

√ Applicable ☐ Not Applicable

During the reporting period, the Company strictly adhered to the provisions of the Company Law, Securities Law, Guidelines for Corporate Governance of Listed Companies, and Shanghai Stock Exchange Listing Rules, among other relevant regulations, to continuously improve its corporate governance structure. Currently, the actual state of the Company's corporate governance structure complies with national laws and regulations as well as the requirements of securities regulatory authorities.

I. Shareholders and Shareholders' Meetings

During the reporting period, the Company convened one annual shareholders' meeting and one extraordinary shareholders' meeting.The Company strictly adheres to relevant laws, regulations, the Articles of Association, and the Rules of Procedure for Shareholders' Meetings in organizing, convening, and conducting voting procedures for shareholders' meetings. It effectively safeguards the rights and interests of minority shareholders, treats all investors equally, and ensures they can fully exercise their rights. The Company engages lawyers to attend shareholders' meetings and issue legal opinions on the convening and voting procedures, fully respecting and protecting the lawful rights and interests of all shareholders.

II. Directors and Board of Directors

During the reporting period, the Company convened five Board of Directors meetings. The Company strictly elected directors in accordance with the Company Law, Articles of Association, and other relevant regulations.

The Board of Directors consists of 9 directors, including 3 independent directors, with the number and composition of directors meeting legal requirements. The Board convened meetings strictly in accordance with the Articles of Association, the Independent Director System, and the Board Meeting Rules. All directors actively attended meetings, thoroughly reviewed proposals, and fulfilled their duties with diligence. Independent directors performed their roles independently, safeguarded the Company's overall interests, and issued independent opinions on significant matters.

III. Supervisors and Supervisory Board

During the reporting period, the Company convened five meetings of the Board of Supervisors. The Company strictly elected supervisors in accordance with the Company Law and the Articles of Association.

The Board of Supervisors consists of three members, including one employee supervisor, with the number and composition of the Board meeting legal requirements. The Board convened meetings strictly in accordance with the Articles of Association and the Rules of Procedure for the Board of Supervisors. All supervisors actively attended meetings, conscientiously performed their duties, and exercised oversight over major company matters, related-party transactions, and financial conditions while expressing their opinions.

IV. Independence of Controlling Shareholder and Related Parties

During the reporting period, the Company and its subsidiaries maintained independence from the controlling shareholder in terms of assets, personnel, finances, organizational structure, and business operations. The Company's Board of Directors, Board of Supervisors, and internal departments functioned independently. The controlling shareholder strictly adhered to the "Corporate Governance Guidelines for Listed Companies," the "Shanghai Stock Exchange Listing Rules," and the "Articles of Association" in regulating its conduct. It exercised shareholder rights through the shareholders' meeting, faithfully fulfilled its commitments, and did not engage in any direct or indirect interference in the Company's operations or decision-making beyond the authority of the shareholders' meeting and the Board of Directors.

V. Information Disclosure and Corporate Transparency

The Company strictly adheres to relevant laws, regulations, and its Information Disclosure Management System. It rigorously safeguards confidentiality prior to information disclosure, actively fulfills disclosure obligations, proactively strengthens communication with regulatory authorities, and diligently completes the disclosure of all periodic reports and interim announcements. Information is disclosed in a truthful, accurate, complete, and timely manner to ensure all shareholders receive the Company's required disclosures equitably and promptly. The Shanghai Stock Exchange website, Shanghai Securities News, and Securities Times serve as the Company's designated information disclosure platforms and media outlets.

VI. Investor Relations

The Company's Securities Department is responsible for daily investor communication, including answering investor hotline calls, receiving investor visits, responding to email inquiries, and addressing investor questions on the SSE e-Interaction platform. This ensures investors receive timely access to Company information and safeguards their legitimate rights and interests.

The company promptly and effectively addresses investor concerns via telephone, email, and the SSE e-Interaction platform, treating all investors with truthfulness, accuracy, completeness, timeliness, and fairness. This approach enhances investor understanding and support for the company. The company fully respects and safeguards the legitimate rights and interests of stakeholders including customers, employees, suppliers, and creditors, jointly advancing the company's sustainable and stable development.

VII. Stakeholders, Environmental Protection, and Social Responsibility

The Company fully respects and safeguards the legitimate rights and interests of stakeholders, achieving a coordinated balance of interests among shareholders, employees, society, and other parties to jointly promote the Company's sustainable and healthy development. According to relevant regulations of the State Environmental Protection Administration and the China Securities Regulatory Commission, the Company's industry category does not fall within the scope requiring environmental verification by provincial environmental protection bureaus or the Ministry of Environmental Protection, nor is it classified as a polluting industry.

Are there any significant discrepancies between the company's governance practices and laws, administrative regulations, or the CSRC's regulations on listed company governance? If significant discrepancies exist, the reasons should be explained.

☐ Applicable √ Not Applicable

II. Specific measures taken by the Company's controlling shareholders and actual controllers to ensure the independence of the Company's assets, personnel, finances, institutions, and operations, as well as solutions adopted, work progress, and follow-up plans regarding any factors affecting the Company's independence

☐ Applicable √ Not applicable

Circumstances where the controlling shareholder, actual controller, and other entities under their control engage in the same or similar business as the company, along with the impact on the company of significant changes in competitive overlap or same-industry competition, measures already taken to resolve such issues, progress made, and subsequent resolution plans

☐Applicable √ Applicable

III. Overview of Shareholders' Meetings

Meeting Session	Date Held	Designated Website for Resolution Publication Website Index for Queries	Publication Date of Resolutions Disclosure Date	Meeting Resolutions
2023 Annual General Meeting of Shareholders	May 17, 2024	www.sse.com.cn	May 18, 2024	Approved 16 proposals, including the "Proposal on Amending the Articles of Association and Handling Industrial and Commercial Registration Changes." For details, please refer to the "Announcement on Resolutions of the 2023 Annual General Meeting of Shareholders"(Announcement No.: 2024-024)
First Extraordinary Shareholders' Meeting of 2024	December 20, 2024	www.sse.com.cn	December 21, 2024	The proposal to terminate certain fundraising investment projects and permanently supplement working capital with the remaining raised funds was reviewed and approved. For specific details, please refer to "Resolution Announcement of the First Extraordinary General Meeting of Shareholders in 2024" Announcement"(Announcement No.: 2024-047)

Request by Preferred Shareholders with Restored Voting Rights to Convene an Extraordinary General Meeting

☐ Applicable √ Not Applicable

Explanation of Shareholders' Meeting Circumstances

√ Applicable ☐ Not Applicable

All resolutions of the aforementioned shareholders' meeting were passed without any being rejected.

IV. Information on Directors, Supervisors, and Senior Management Personnel

(1) Changes in Shareholdings and Compensation of Current and Former Directors, Supervisors, and Senior Management During the Reporting Period

√ Applicable □ Not Applicable

Unit: Shares

Name	Position	Gender	Age	Term Start Date	Term End Date	Number of Shares Held at Beginning of Year	Number of Shares Held at Year-End	Annual Change in Number of Shares	Reason for Increase/Decrease	Total Pre-Tax Compensation Received from the Company During the Reporting Period (RMB 10,000)	Whether compensation was obtained from related parties of the company Remuneration
Hu Renchang	Chairman	Male	57	August 25, 2010	May 26, 2025	105,347,070	105,347,070	0	/	68.04	No
Lu Xiaojian	Director, General Manager	Male	55	August 25, 2010	May 26, 2025	66,112,799	66,112,799	0	/	84.85	No
Wu Dizeng	Director, Vice President Manager	Male	54	August 25, 2010	May 26, 2025	8,021,200	8,021,200	0		129.95	No
Sun Hongliang	Director, Vice President Manager	Male	45	May 27, 2022	May 26, 2025	141,120	141,120	0	/	137.06	No
YU BIN	Director	Male	55	May 27, 2022	May 26, 2025	80,000	56,000	-24,000	Equity Incentive Repurchase	123.17	No
Xu Mingfeng	Director, Secretary of the Board of Directors	Male	41	August 25, 2010 /July 9, 2011	May 26, 2025	3,058,027	3,058,027	0	/	38.14	No

Name	Primary Work Experience
Hu Renchang	Male, born January 1968, Han ethnicity, Chinese nationality, no permanent residency abroad. Completed the EMBA program at Fudan University in June 2011. Possesses a background in mechanical manufacturing technology and served as one of the principal drafters of the "Light Industry Standard of the People's Republic of China" QB/T4288-2012.October 1992: Founded Xinchang Dongchang Mold Factory, serving as Plant Manager. March 2000: Founded Xinchang Jiechang Medical Equipment Co., Ltd., serving as Legal Representative and General Manager.In April 2010, he invested in establishing Zhejiang Jiechang Linear Drive Technology Co., Ltd., serving as its legal representative, executive director, and general manager. From May to July 2010, he served as the legal representative, chairman, and general manager of Zhejiang Jiechang Linear Drive Technology Co., Ltd. He currently serves as the company's legal representative, chairman, and general manager. Chairman.
Lu Xiaojian	Male, born April 1970, Han ethnicity, Chinese nationality, no permanent residency abroad. Master's degree in Applied Mathematics from Nanjing University of Science and Technology and EMBA from Xiamen University. One of the principal drafters of the "Light Industry Standard of the People's Republic of China" QB/T4288-2012. From September 1990 to February 2000, served as R&D Department Manager at Nanjing Sikai Electronics Co., Ltd.; From March 2000 to July 2010, he successively served as Deputy General Manager of Xinchang Jiechang Medical Equipment Co., Ltd. and General Manager of Zhejiang Jiechang Linear Drive Technology Co., Ltd.; present, he has served as Director and General Manager of the company. He currently holds the positions of Director and General Manager of the company.
Wu Dizeng	Male, born November 1971, Han ethnicity, Chinese nationality, no permanent residency abroad. Graduated from Nanjing University of Science and Technology with a degree in Automatic Control in 1993. Earned an MBA from Zhejiang University in 2003, holding a master's degree.From 1993 to 2005, he served as sales representative, manager, and deputy general manager of a branch company at Ningbo United Group. From 2006 to 2014, he served as director and deputy general manager of Xinchang Jiechang Medical Equipment Co., Ltd., Zhejiang Jiechang Linear Drive Technology Co., Ltd., and the Company. Since 2014, he has served as general manager of Haishikai Technology. He currently serves as director and deputy general manager of the Company. General Manager.
Sun Hongliang	Male, born in June 1980, Chinese nationality, no permanent residency abroad. Graduated from Xiamen University with a Bachelor's degree in Business Administration in 2003; currently pursuing an EMBA at Xiamen University. Formerly served as General Manager of the Financial Services Division at Kairui Consulting, General Manager of a subsidiary of La Chapelle Fashion Co., Ltd., and Project General Manager at Baolong Properties. Currently serves as Director and Deputy General Manager of the company.
YU BIN	Male, born April 1970, Canadian nationality. Graduated from Hefei University of Technology with a degree in Materials Science and Engineering in 1992; obtained a master's degree from the University of Science and Technology of China in 2005. Formerly served as Head of the Engineering Vehicle Department at Anhui Heli Co., Ltd.; Deputy General Manager of Ergotech/Esmond/Wirfab—three divisions of TEKNION; General Manager of Changzhou Kaidi Electric Appliance Co., Ltd. General Manager of Changzhou Kaidi Electric Appliance Co., Ltd.; Director and Deputy General Manager of Changzhou Kaidi Electric Appliance Co., Ltd.; President of Shanghai Huawai Auto Parts Co., Ltd.; currently serves as Director of the Company.
Xu Mingfeng	Male, born November 1984, Han ethnicity, Chinese nationality, no permanent residency abroad. September 2008: Graduated from Zhejiang University of Finance and Economics with a bachelor's degree in English for Foreign Trade. September 2008 to April 2010, Auditor at Lixin Certified Public Accountants Hangzhou Branch; August 2010 to present, successively served as Director and Board Secretary of the Company; currently serves as Director and Director Secretary.

Hu Guoliu	Male, born March 1968, Chinese nationality, no permanent residency abroad. Professor of Accounting, doctoral supervisor, selected for the Ministry of Finance's Accounting Elite Cultivation Program, National Outstanding Middle-aged and Young Expert, Dean of the School of Accounting at Zhejiang Gongshang University.Formerly served as Deputy Director of the Planning and Finance Department, Party Secretary of the School of Management, Dean of the School of Management, and Dean of the School of Economics and Management at Hainan University; served as an independent director for listed companies including Great Wall Information, Huichuan Technology, Hainan Haiyao, and Quzhou Dongfang; currently concurrently serves as an independent director for Shenhao Technology (300853) and Haixing Electric Power (603556); currently serves as an independent director of the company Independent Director.
Liu Yulong	Male, born February 1971, Chinese nationality, no permanent residency abroad. Holds the title of Associate Professor of Accounting and a doctoral degree. From July 2002 to present, he has served as a faculty member at Sun Yat-sen University, Internal Control Manager at Xiamen Yongquan Group Co., Ltd., Associate Professor at Zhejiang Gongshang University, Deputy Director of the Tax Advisory Committee of the Zhejiang Chief Accountants Association, and Consultant at Zhejiang Ruijiu Equity Investment Co., Ltd. He has previously served as an independent director for Zhejiang Jinghua Laser Technology Co., Ltd., Zhejiang Jinfly Kaida Wheel Co., Ltd., and Xiamen Jiarong Technology Co., Ltd. He currently serves as an independent director for Minsheng Health (603556). Served as an independent director of Zhejiang Jinghua Laser Technology Co., Ltd., Zhejiang Jinfai Kaida Wheel Co., Ltd., and Xiamen Jiarong Technology Co., Ltd. Currently also serves as an independent director of Minsheng Health (301507)

	and serves as an independent director of the company.
Xie Yafang	Female, born in August 1963, Chinese nationality, no permanent residency abroad, Professor-level Senior Accountant, Master's degree.Formerly served as member of the Chief Financial Officers Professional Committee of the China Listed Companies Association, Chairperson of the Chief Financial Officers Professional Committee of the Zhejiang Listed Companies Association, Council Member of the Chinese Chief Accountants Association, Standing Council Member of the Zhejiang Chief Accountants Association, Advanced Accounting Worker of Zhejiang Province, and Outstanding Chief Accountant of Zhejiang Province. Previously served as Deputy Director of the Finance Department of the Hangzhou Municipal Bureau of Commerce; Director, Party Committee Member, Vice President, Executive Vice President, and Chief Financial Officer of Hangzhou Jiebai Group Co., Ltd. Accountant, etc.; currently serves concurrently as an independent director of Wanan Technology (002590) and Longyuan Construction (600491); currently serves as an independent director of the company.
Fang Hongqiang	Male, born April 1975, Chinese nationality, no permanent residency abroad, graduate degree, Professor-level Senior Accountant. From 1997 to 2022, he served as Finance Manager at Zhejiang Zhongbao Parker Packaging Co., Ltd. Co., Ltd., Chief Financial Officer of Zhejiang Baochi Real Estate Co., Ltd., and Chief Financial Officer of Estevy Huayi Pharmaceutical Co., Ltd. He currently serves as the Company's Chief Financial Officer.
Pan Boxin	Male, born May 1958, Han ethnicity, Chinese nationality, no permanent residency abroad. From February 1973 to June 1986, served as Technician at Dongmen Hydropower Station, Xinchang County; from June 1986 to October 1992, served as Workshop Director at Xinchang Zhongbao Co., Ltd.; January 2007 to April 2010, served as Injection Molding Workshop Director at Xinchang Jiechang Medical Equipment Co., Ltd.; April 2010 to August 2010: Workshop Director at Zhejiang Jiechang Linear Drive Technology Co., Ltd. ; September 2015 to present: Joined Jiechang Drive R&D Department, currently serving as Chairman of the Supervisory Board.
Li Bo	Male, born June 1983, Chinese nationality, no permanent residency abroad. Graduated in August 2007 with a bachelor's degree in Electronic Information Science and Technology from Heilongjiang University of Science and Technology. Earned a master's degree in Computer Engineering from Hangzhou Dianzi University in 2016.He has participated in the R&D of high-precision electric actuator projects, the JC35W1 light-load electric actuator project, the intelligent nursing bed control system project, and the software development project for network-based multi-functional medical bed control systems. From August 2010 to 2014, he served as Director of the Company's R&D Center; from 2015 to 2019, he served as Manager of the R&D Center. Since 2019, he has served as Director of the Smart Home Business Center and currently holds the position of Company Supervisor.
Yang Haiyu	Male, born in September 1987, Chinese nationality, no permanent residency abroad. Graduated from Hangzhou Dianzi University in June 2010 and obtained a Master's degree in Instrumentation Engineering from Shanghai Jiao Tong University in April 2020.Joined the company in 2010 and currently serves as a Software Engineer in the R&D Department and Employee Supervisor. His work "Research and Industrialization of Electronic Linear Drive Assemblies" received the First Prize of Shaoxing Science and Technology Award. He has participated in multiple R&D projects and obtained authorized invention patents including "Method for Controlling the 90-Degree Angle of the Back and Leg Panels of an Electric Medical Bed," "Multi-Column Lifting Control System Based on CAN Bus," and "Built-in Lifting Desk Control System Based on LIN Communication."and "Massage Bed." He has applied for multiple software copyrights, including Jiechang JCB36N2 Six-Axis Sensor Height-Adjustable Desk Control System V1.0, Jiechang JCB36N3 Six-Axis Sensor Height-Adjustable Desk Control System V1.0, and Jiechang JCB36N1 Electric Height-Adjustable Desk Control System Software V1.0. In November 2019, published the paper "Research on Elderly Care Bed System Design Based on Health Data Mining" in the Journal of Ningbo University (Science and Engineering Edition). Currently serves as the company's supervisor.

Additional Information

☐ Applicable √ Not Applicable

(II) Current and Departed Directors, Supervisors, and Senior Management Personnel During the Reporting Period 1. Positions Held in Shareholder Units

√ Applicable □ Not Applicable

Appointee Name	Name of Shareholder Unit	Position Held at Shareholder Unit Position	Term Start Date	Term End Date
Hu Renchang	Zhejiang Jiechang Holding Co., Ltd.	Executive Director and General Manager	March 17, 2016	/
	Xinchang County Zhongsheng Investment Co., Ltd.	Director and General Manager	December 20, 2012	/
Lu Xiaojian	Xinchang County Zhongsheng Investment Co., Ltd.	Director	December 20, 2012	/
	Zhejiang Jiechang Holding Co., Ltd.	Supervisor	March 17, 2016	/
Wu Dizeng	Xinchang County Zhongsheng Investment Co., Ltd.	Director	December 20, 2012	/

2. Employment Status at Other Entities

√ Applicable □ Not Applicable

Person holding position	Name of Other Organization	Position Held at Other Entities Position Held	Term Start Date	End Date of Term
Hu Renchang	Ningbo Haishikai Drive Technology Co., Ltd.	Executive Director	November 18, 2011	/
	Xinchang County Jiechang Import & Export Co., Ltd.	Executive Director	March 30, 2016	/
Lu Xiaojian	Ningbo Haishikai Drive Technology Co., Ltd.	Supervisor	November 18, 2011	/
	Zhejiang Juyou Intelligent Technology Co., Ltd.	Executive Director	November 16, 2015	/
	Xinchang Jiechang Import & Export Co., Ltd.	Manager	March 30, 2016	/
Wu Dizeng	Ningbo Haishikai Drive Technology Co., Ltd.	General Manager	November 18, 2011	/
	Zhejiang Shiyou Drive Technology Co., Ltd.	Executive Director	February 28, 2020	/
Xu Mingfeng	Zhejiang Zhiyou Automotive Technology Co., Ltd.	Executive Director	February 22, 2021	/
	Xinchang County Jiechang Import & Export Co., Ltd.	Supervisor	March 30, 2016	/
	Zhejiang Juyu Intelligent Technology Co., Ltd.	Supervisor	November 16, 2015	/
Shi Guoqi	Zhejiang Gongshang University	Professor	2019-01	/
	Hangzhou Shenhao Technology Co., Ltd.	Independent Director	January 2022	/
	Hangzhou Haixing Electric Power Technology Co., Ltd.	Independent Director	January 2025	/
Liu Yulong	Zhejiang Gongshang University	Associate Professor	September 2005	/
	Hangzhou Minsheng Health Pharmaceutical Co., Ltd.	Independent Director	June 2021	/
Xin Tuang	Zhejiang Wanan Technology Co., Ltd.	Independent Director	March 2019	/
	Longyuan Construction Group Co., Ltd.	Independent Director	March 2024	/
Positions Held in Other Entities	None			

(3) Compensation Status of Directors, Supervisors, and Senior Management Personnel

√ Applicable □ Not Applicable

Decision-making Procedures for Remuneration of Directors, Supervisors, and Senior Management	The remuneration of directors and supervisors shall be determined by the shareholders' meeting of the company; the remuneration of senior management shall be determined by the board of directors of the company.
Decision-Making Procedures	is determined by the company's board of directors.
When the Board of Directors discusses matters concerning the remuneration of a director, that director shall recuse himself/herself from the discussion.	Yes
Whether directors recuse themselves when their remuneration is discussed by the board	Yes
Explanation	
Compensation and Evaluation	The Board Compensation and Evaluation Committee reviewed and approved the

Special Meeting on Issuing Recommendations Regarding the Compensation Matters of Directors, Supervisors, and Senior Management Personnel Details	Implementation of 2023 Compensation and 2024 Compensation Plan" and the "Proposal on the 2023 Compensation Implementation and 2024 Compensation Plan for the Company's Senior Management." The Board of Directors approved the proposal "Proposal on the Implementation of the 2023 Compensation Plan for Senior Management and the 2024 Compensation Plan," agreeing to submit it directly to the Board of Directors for deliberation. and agreed to submit them directly to the Board of Directors for deliberation.
Basis for Determining Compensation for Directors, Supervisors, and Senior Management	The Company does not provide allowances to directors or supervisors. Their compensation is determined based on their specific positions within the Company and consists of basic compensation and performance-based compensation. Basic compensation is the annual base remuneration paid monthly. Performance-based compensation is paid according to the Company's performance evaluation system. Independent directors receive fixed compensation. relevant assessment system. The Company's independent directors receive fixed remuneration.
Actual Payment of Compensation for Directors, Supervisors, and Senior Management Actual Payment of Compensation for Directors, Supervisors, and Senior Management	The actual compensation disbursed aligns with the Company's decision-making processes. For details, please refer to the table of directors, supervisors, and Senior Management.
The total remuneration actually received by all directors, supervisors, and senior management totaled	8.3907 million yuan

(4) Changes in Directors, Supervisors, and Senior Management Personnel

☐ Applicable √ Not Applicable

(V) Explanation of Penalties Imposed by Securities Regulatory Authorities in the Past Three Years

☐ Applicable √ Not applicable

(VI) Other

☐ Applicable √ Not applicable

V. Details of Board Meetings Held During the Reporting Period

Meeting Number	Date Held	Resolution
12th Meeting of the Fifth Board of Directors	April 22, 2024	All motions were reviewed and approved; no motions were rejected. For specific details, please refer to the "Announcement of the Resolution of the Twelfth Meeting of the Fifth Board of Directors" published by the Company on April 24, 2024, on the Shanghai Stock Exchange website (www.sse.com.cn) on April 24, 2024. (Announcement No.: 2024-002)
Fifteenth Board of Directors Thirteenth Meeting	July 16, 2024	All motions were reviewed and approved, with no motions rejected. For specific details, please refer to the "Announcement of Resolutions from the 13th Meeting of the 5th Board of Directors" published by the Company on July 18, 2024, on the Shanghai Stock Exchange website (www.sse.com.cn) on July 18, 2024. (Announcement No.: 2024-029)

Fourteenth Meeting of the Fifth Board of Directors	2024-08-26	All motions were reviewed and approved, with no motions rejected. For specific details, please refer to the "Announcement of the Resolution of the 13th Meeting of the Fifth Board of Directors" published by the Company on August 27, 2024, on the Shanghai Stock Exchange website (www.sse.com.cn) Announcement of the Resolution of the Fourteenth Meeting of the Fifth Board of Directors (Announcement No.: 2024-033)
Fifteenth Meeting of the Fifth Board of Directors Fifteenth Meeting	October 28, 2024	The "2024 Third Quarter Report" was reviewed and approved, with no resolutions being vetoed.
Fifteenth Meeting of the Fifth Board of Directors	December 4, 2024	All motions were reviewed and approved with no motions rejected. For details, please refer to the "Announcement on the Resolution of the Sixteenth Meeting of the Fifth Board of Directors" published by the Company on December 5, 2024, on the Shanghai Stock Exchange website (www.sse.com.cn) on December 5, 2024. (Announcement No.: 2024-043)

VI. Directors' Performance of Duties

(1) Directors' Attendance at Board Meetings and Shareholders' Meetings

Director Name	Independent Director Status	Board Meeting Attendance						Attendance at Shareholders' Meetings Attendance at Shareholders' Meetings
		Number of Board Meetings Required to Attend This Year Number of Attendances	Number of in-person meetings attended	Attendance by Correspondence Number of times	Number of proxy attendances	Number of absences	Whether absent for two consecutive meetings Attendance	Number of times attending shareholders' meetings Number
Hu Renchang	No	5	5	1	0	0	No	2
Lu Xiaojian	No	5	5	0	0	0	No	2
Wu Dizeng	No	5	5	3	0	0	No	2
Xu Mingfeng	No	5	5	0	0	0	No	2
YU BIN	No	5	5	1	0	0	No	2
Sun Hongliang	No	5	5	0	0	0	No	2
Hu Guoliu	Yes	5	5	5	0	0	No	2
Liu Yulong	Yes	5	5	3	0	0	No	2
Xie Yafang	Yes	5	5	4	0	0	No	2

Explanation for Absence from Two Consecutive Board Meetings

☐ Applicable √ Not Applicable

Number of Board Meetings Held During the Year	5
Of which: In-person meetings	0
Number of meetings held via teleconference	0
Number of meetings held in-person combined with remote communication methods	5

(2) Circumstances where directors raised objections to company matters

☐ Applicable √ Not Applicable

(III) Other

☐ Applicable √ Not applicable

VII. Establishment of Special Committees under the Board of Directors

√ Applicable ☐ Not Applicable

(1) Membership of Special Committees under the Board of Directors

Special Committee Category	Member Name
Audit Committee	Liu Yulong, Hu Renchang, Hu Guoliu
Nomination Committee	Hu Guoliu, Xie Yafang, Lu Xiaojian
Compensation and Evaluation Committee	Xie Yafang, Sun Hongliang, Liu Yulong
Strategy Committee	Hu Renchang, Lu Xiaojian, Hu Guoliu

(2) During the reporting period, the Audit Committee convened four meetings

Date of Meeting	Meeting Content	Key Opinions and Recommendations	Other Performance of Duties Responsibilities

March 7, 2024	1. Reviewed the "Proposal on the Preliminary Audit Opinion Issued by the Annual Review Accountant on the Financial Report"; ;	Approved	/
	2. Consideration of the "Proposal on the Preliminary Audit Opinion of the Certified Public Accountant on the Internal Control Audit Report" "		
April 11, 2024	1. Consideration of the "Proposal on the 2023 Audit Committee Performance Report"; 2. Review the "Proposal on the Full Text and Summary of the 2023 Annual Report"; 3. Consideration of the "Proposal on the 2023 Financial Settlement Report"; 4. Consideration of the Proposal on Reappointing the Company's 2024 Audit Institution; 5. Consideration of the "Proposal on the Full Text of the First Quarter Report for 2024"; 6. Consideration of the "Proposal on the 2023 Internal Control Evaluation Report"	Approved	/
August 16, 2024	1. Consideration of the Proposal on the Full Text and Summary of the 2024 Semi-Annual Report Approved	Approved	/
2024-10-22	1. Consideration of the Proposal on the Company's Third Quarter Report for 2024	Approved	/

(3) The Strategy Committee convened one meeting during the reporting period

Date of Meeting	Meeting Content	Key Opinions and Recommendations	Other Duties Performed Responsibilities
November 28, 2024	1. Reviewed the "Proposal on Extending the Timeline for Certain Fund-Raising Projects and Adding Implementation Locations"; 2. Review the "Proposal on Terminating Certain Fund-Raising Investment Projects and Permanently Supplementing Working Capital with Remaining Raised Funds"; Permanently Supplement Working Capital"	Approved	/

(4) The Compensation and Evaluation Committee convened one meeting during the reporting period.

Date of Meeting	Meeting Content	Key Opinions and Recommendations	Other Duties Performed Responsibilities
April 11, 2024	1. Reviewed the "Proposal on the Implementation of Directors' Compensation for 2023 and the 2024 Annual Compensation Plan"; Compensation Plan for 2024"; 2. Review the "Proposal on the Implementation of the Company's Senior Management Compensation for 2023 and the 2024 Compensation Plan"; 3. Review the "Proposal on Adjusting the Repurchase Price of Restricted Stock and the Restriction Period for Cancellation of Restricted Stock"	Approved	/

	of Restricted Stock"		

(5) Details of Matters Subject to Objection

☐ Applicable √ Not applicable

VIII. Statement by the Board of Supervisors on Identified Risks

☐ Applicable √ Not Applicable

The Board of Supervisors has no objections to the supervisory matters during the reporting period.

IX. Employee Status of the Parent Company and Major Subsidiaries at the End of the Reporting Period

(1) Employee Status

Number of employees at the parent company	2,354
Number of employees at major subsidiaries	2,383
Total Number of Employees	4,737
Retired employees for whom the parent company and major subsidiaries bear expenses Number	47
Professional composition	
Professional Composition Category	Number of employees by professional composition
Production Personnel	2,465
Sales Personnel	257
Technical Staff	653
Financial Staff	71
Administrative Staff	1,291
Total	4,737
Educational Level	
Educational Level Category	Number (persons)
Doctorate	16
Master's Degree	145
Bachelor's Degree	856
Associate Degree	983
High school and below	2,737
Total	4,737

(2) Compensation Policy

√ Applicable ☐ Not Applicable

In line with the company's development strategy, market compensation trends, and local conditions, the company has established a "Salary and Performance Evaluation System" that balances internal equity and market competitiveness. Tailored to the characteristics of different positions, the company employs a flexible and diverse compensation structure. Compensation primarily consists of base salary, position-based pay, performance-based pay, bonuses, and subsidies.During compensation adjustments, the company adheres to the principles of performance orientation and

fairness. It has established a sound linkage mechanism aligning wages with corporate profit growth, emphasizing the guiding role of performance and the guarantee function of the compensation mechanism. This approach enhances the motivational impact of compensation from a positive incentive perspective.

The company's current compensation policy emphasizes performance priority while maintaining fairness. It prioritizes employee achievements, contributions, and performance, effectively enhancing work efficiency and corporate economic benefits, thereby achieving the goal of healthy and steady corporate development.

(3) Training Plan

√ Applicable ☐ Not Applicable

The company prioritizes employee development and talent pipeline building, actively leveraging diverse training resources and channels to establish a comprehensive training system. Annually, the company develops systematic training plans aligned with business growth needs and conducts thorough training effectiveness evaluations. We will focus on innovating training formats and enhancing training outcomes to meet employees' needs for regular, self-directed, and diverse learning, thereby strengthening training's role in supporting the company's operational development.Through specialized training, skill competitions, mentor-apprentice programs, job rotation, and other channels, the company delivers multi-tiered, multi-channel, and multi-faceted training to continuously enhance employees' comprehensive capabilities. Emphasis is placed on cultivating talent reserves in operational management, project development, and R&D management, providing intellectual support and human resource assurance for the company's sustained healthy development.

(IV) Labor Outsourcing Status

☐ Applicable √ Not Applicable

X. Profit Distribution or Capital Reserve Conversion Plan

(1) Formulation, Implementation, or Adjustment of Cash Dividend Policy

√ Applicable ☐ Not applicable

1. Formulation of Cash Dividend Policy

Key provisions regarding profit distribution in the Articles of Association are as follows:

(1) Principles of Profit Distribution

The Company shall establish a sustainable, stable, and scientific return mechanism for investors based on the principles of prioritizing reasonable investment returns for shareholders while balancing the Company's capital requirements and sustainable development. This ensures continuity and stability in the profit distribution policy. Concurrently, the Company shall balance shareholder demands and preferences with its capital needs and ongoing development. When formulating specific dividend plans, the Company shall comprehensively consider the cost of funds from various external financing sources and its cash flow situation to determine a reasonable cash dividend ratio, thereby mitigating financial risks.

(2) Forms of Profit Distribution

The Company may distribute profits through cash, stock, or a combination of both. Profit distribution shall not exceed the scope of accumulated distributable profits and shall not impair the Company's ability to continue operations. Cash dividends take precedence over stock dividends in profit distribution methods. Where conditions for cash dividends are met, the Company shall distribute profits via cash dividends.

(3) Conditions for Profit Distribution

① Conditions for Cash Dividends

Provided that the company's sustainable operations and long-term development are ensured, and in the absence of major investment plans or significant capital expenditures (excluding projects funded by raised capital), the company shall distribute dividends in cash. The annual cash dividend distribution shall not be less than 20% of the distributable profits realized in the current year. The specific dividend ratio for each fiscal year shall be proposed by the Board of Directors based on the company's annual profitability and future capital utilization plans.

② Differentiated Cash Dividend Policy

The Board of Directors shall comprehensively consider factors including industry characteristics, development stage, business model, profitability, and the existence of major capital expenditure arrangements. Differentiated cash dividend proposals shall be formulated for annual profit distribution based on the following scenarios:

When the company is in the mature stage of development and has no major capital expenditure arrangements, the proportion of cash dividends in the current profit distribution shall be no less than 80%.

When the company is in the mature stage and has significant capital expenditure arrangements, the proportion of cash dividends in the current profit distribution shall not be less than 40%;

For companies in the growth stage with significant capital expenditure arrangements, or for companies whose development stage is difficult to classify but with significant capital expenditure arrangements, the proportion of cash dividends in the current profit distribution shall not be less than 20%.

③ Conditions for Stock Dividend Distribution

When comprehensively considering the company's growth potential and capital requirements, and the Board of Directors deems that issuing stock dividends is beneficial to the overall interests of all shareholders, a stock dividend distribution proposal may be submitted. The use of stock dividends for profit distribution shall be commensurate with the company's current operating scale, profit growth rate, and dilution of net assets per share, while also considering the impact on future debt financing costs to ensure that the profit distribution plan aligns with the overall and long-term interests of all shareholders.

(4) Intervals for Profit Distribution

The company shall conduct annual profit distribution when it achieves profitability and has distributable profits for the year. In principle, cash dividends shall be distributed once annually following approval at the annual shareholders' meeting. The board of directors may propose interim cash dividends under special circumstances.

(5) Decision-Making Procedures and Mechanisms for Profit Distribution Policy

The annual profit distribution proposal shall be formulated by the Board of Directors in accordance with the provisions of these Articles of Association, the Company's profitability, and the supply and demand of funds. After independent directors issue their independent opinions on the proposal and it is approved by the Board of Directors, it shall be submitted to the shareholders' meeting for deliberation and approval. Independent directors may solicit opinions from minority shareholders, propose dividend proposals, and submit them directly to the Board of Directors for deliberation.

When deliberating profit distribution proposals at the shareholders' meeting, the company shall proactively communicate and exchange views with shareholders, particularly minority shareholders, through multiple channels.

and fully listen to the opinions and demands of small and medium shareholders, while promptly responding to issues of concern to them.After the shareholders' meeting resolves on the profit distribution plan, the company's board of directors must complete the distribution of dividends (or shares) within two months following the meeting. If the company is profitable in a given year and meets the conditions for cash dividends, but the board fails to submit a profit distribution proposal to the shareholders' meeting in accordance with the established profit distribution policy, it shall explain the reasons in its periodic report, disclose the purpose and expected returns of funds retained by the company that were not used for dividends, and have the independent directors issue an independent opinion.

The board of supervisors shall express a clear opinion on the board of directors' implementation of the profit distribution policy, compliance with relevant decision-making procedures, and information disclosure practices.

.

（6） Adjustments to the Profit Distribution Policy

The company's profit distribution policy shall not be changed arbitrarily. If significant changes occur in the external operating environment or the company's own operating conditions

, the company's board of directors shall formulate a draft of the proposed revised profit distribution policy within its authority. The company's supervisory board shall attend board meetings ex officio and may raise questions or suggestions regarding matters related to the formulation of the draft profit distribution policy by the board of directors. The company's independent directors shall issue an independent opinion on the draf

attending Board meetings in an advisory capacity and may raise questions or suggestions regarding the Board's proposed draft profit distribution policy. The Company's independent directors shall issue independent opinions on the proposed draft profit distribution policy, which must be approved by a majority of two-thirds or more of the voting rights held by shareholders present at the shareholders' meeting.

When deliberating proposals to adjust the profit distribution policy at the shareholders' meeting, the opinions of public shareholders shall be fully considered. In addition to on-site voting, an online voting system shall be provided to support shareholders.

The Articles of Association stipulate the Company's profit distribution policy and decision-making procedures for profit distribution plans. The Company establishes a continuous, stable, and scientific return mechanism for investors based on the principles of valuing reasonable investment returns while balancing the Company's capital needs and sustainable development, ensuring the continuity and stability of the profit distribution policy.

2. Implementation of Cash Dividend Policy

During the reporting period, the company strictly implemented profit distribution plans in accordance with the Articles of Association, relevant profit distribution policies, and deliberation procedures. The relevant profit distribution plans complied with the provisions of the Articles of Association, with clear standards and ratios for cash dividends. The relevant profit distribution proposals were submitted to the shareholders' meeting for deliberation after review by the company's board of directors and board of supervisors, with independent directors issuing independent opinions.The shareholders' meeting was convened through both in-person and online voting methods, fully soliciting the opinions and requests of minority shareholders. Concerns raised by minority shareholders were addressed in a timely manner, effectively safeguarding their legitimate rights and interests.

During the reporting period, the Company implemented the following profit distribution plan: Based on the total share capital as of the record date for the distribution plan, a cash dividend of RMB 1.70 (tax inclusive) per 10 shares was distributed to all shareholders. This plan was fully implemented on June 6, 2024.

3. 2024 Cash Dividend Plan

The Company's 2024 profit distribution plan proposes to distribute a cash dividend of RMB 3.00 (tax inclusive) per 10 shares to all shareholders based on the share capital as of the record date for dividend distribution.

. The above profit distribution plan has been reviewed and approved by the 18th Meeting of the Fifth Board of Directors of the Company.

Subject to approval at the Company's 2024 Annual General Meeting of Shareholders.

(2) Special Explanation on Cash Dividend Policy

√ Applicable □ Not Applicable

Compliance with Articles of Association or Shareholders' Meeting Resolutions	√ Yes □ No
Are the dividend criteria and ratios clearly defined?	√ Yes □ No
Are the relevant decision-making procedures and mechanisms complete?	√ Yes □ No
Have independent directors fulfilled their duties and responsibilities and played their due role?	√ Yes □ No
Do minority shareholders have sufficient opportunities to express their opinions and concerns, and are their legitimate rights and interests adequately protected? ?	√ Yes □ No

(3) If the company reported profits during the reporting period and the parent company had positive distributable profits available to shareholders, but did not propose a cash dividend distribution plan, the company should disclose in detail the reasons for this, as well as the intended use and utilization plan for the undistributed profits.

☐ Applicable √ Not applicable

(IV) Proposed Profit Distribution and Capital Reserve Conversion to Share Capital for the Reporting Period

Unit: Yuan Currency: Renminbi

√ Applicable ☐ Not applicable

Number of Bonus Shares per 10 Shares (Shares)	0
Cash Dividend per 10 Shares (CNY) (including tax)	3.00
Number of shares issued per 10 shares (shares)	0
Cash Dividend Amount (including tax)	115,036,966.50
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements RMB	281,976,704.08
Ratio of Cash Dividend Amount to Net Profit Attributable to Common Shareholders of the Listed Company in the Consolidated Financial Statements (%)	40.80
Common Shareholders in the Consolidated Financial Statements (%)	
Amount of cash dividends attributable to share repurchases	0
Total Dividend Amount (including tax)	115,036,966.50
Total Dividend Amount as a Percentage of Net Profit Attributable to Common Shareholders of the Listed Company in the Consolidated Financial Statements (%)	40.80

(5) Cash Dividend Distribution for the Past Three Fiscal Years

Unit: RMB Currency: Renminbi

√ Applicable ☐ Not Applicable

Cumulative Cash Dividends Amount for the Past Three Fiscal Years (Including Taxes) (1)	280,422,771.15
Common shareholders of the listed company in the consolidated financial statements (%)	
Cumulative amount repurchased and canceled in the last three fiscal years (2)	0
Cumulative amount of cash dividends and share repurchases and cancellations over the last three fiscal years (3) = (1) + (2)	280,422,771.15
Average annual net profit amount for the last three fiscal years (4)	271,896,952.59
Cash dividend payout ratio (%) for the last three fiscal years (5) = (3) / (4)	103.14
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the most recent fiscal year	281,976,704.08
Undistributed profit at the end of the most recent fiscal year in the parent company's financial statements of the listed company	1,529,643,821.78

XI. Status and Impact of the Company's Equity Incentive Plans, Employee Stock Ownership Plans, or Other Employee Incentive Measures

(1) Relevant incentive matters have been disclosed in interim announcements with no subsequent progress or changes

√ Applicable ☐ Not applicable

Summary of Matters	Reference Index
On April 22, 2024, the Company convened the Twelfth Meeting of the Fifth Board of Directors and the Twelfth Meeting of the Fifth Board of Supervisors, which reviewed and approved the "Proposal on Repurchasing and Canceling Certain Restricted Stocks." It was agreed to cancel a total of 6 departing incentive recipients from the initial and reserved grant portions of the 2022 Restricted Stock Incentive Plan, as well as 1 departing incentive recipient from the 2023 Restricted Stock Incentive Plan.	For details, please refer to the "Announcement of Zhejiang Jiechang Linear Drive Technology Co., Ltd. on Repurchasing and Canceling Certain Restricted Stocks" disclosed by the Company on the Shanghai Stock Exchange website on April 24, 2024 (Announcement No. 2024-016).

Announcement No.: 2024-016)

The total number of restricted shares subject to repurchase and cancellation is 1,138,800 shares, representing approximately 0.30% of the Company's current total share capital. The repurchase and cancellation involves a total of 212 individuals, including 6 departing incentive recipients. The total number of shares subject to repurchase is 41,600. Among these, 33,600 shares correspond to 5 departing incentive recipients from the initial grant portion, with a repurchase price of RMB 15.51 per share (adjusted for equity distribution). , totaling 33,600 shares at a repurchase price of RMB 15.51 per share (adjusted for equity distribution). One incentive recipient from the reserved grant portion who has left the company will have 8,000 shares repurchased at RMB 11.59 per share (adjusted for equity distribution). .Due to the failure to meet the company-level performance targets in 2023, 206 incentive recipients were affected, including 168 recipients from the initial grant portion , with a total repurchase quantity of 873,700 shares at a repurchase price of RMB 15.51 per share (adjusted for equity distribution) plus bank deposit interest for the same period. The reserved grant portion involves 38 incentive recipients, with a total repurchase quantity of 223,500 shares at a repurchase price of RMB 11.59 per share (adjusted for equity distribution) plus bank deposit interest for the same period. with a repurchase price of RMB 11.59 per share (adjusted for equity distribution) plus the sum of bank deposit interest for the same period. bank deposit interest for the same period.	
On July 18, 2024, the Company completed the initial and reserved grant portions of the 2022 Restricted Stock Incentive Plan, for a total of 6 departing incentive recipients and 2 incentive recipients who did not meet the company-level performance assessment targets for 2023. the 2023 company-level performance assessment targets. A total of 1,138,800 shares of restricted stock subject to the lock-up restriction were repurchased. The cancellation date is July 18, 2024.	For details, please refer to the "Announcement on the Implementation of Repurchase and Cancellation of Restricted Stock under Equity Incentive Plan" (Announcement No.: 2024-028) disclosed by the Company on the Shanghai Stock Exchange website on April 24, 2024. (Announcement No.: 2024-028)

(2) Incentive Plans Not Disclosed in Interim Announcements or with Subsequent Developments

Equity Incentive Plans

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not applicable

Employee Stock Ownership Plan

☐Applicable √ Not applicable

Other Incentive Measures

☐ Applicable √ Not applicable

(3) Equity Incentives Granted to Directors and Senior Management During the Reporting Period

☐ Applicable √ Not applicable

(IV) Evaluation Mechanism for Senior Management During the Reporting Period, and Establishment and Implementation of Incentive Mechanisms

√ Applicable ☐ Not applicable

The Company's Board of Directors has established a Compensation and Evaluation Committee responsible for formulating evaluation standards and conducting assessments of senior management. The Company continuously refines its long-term incentive policies based on actual circumstances to motivate senior management to perform their duties with greater diligence and responsibility.

XII. Development and Implementation of Internal Control Systems During the Reporting Period

√ Applicable ☐ Not applicable

The Company conducts internal control evaluations in accordance with the enterprise internal control standard system and relevant regulations. The existing internal control system provides reasonable assurance for the Company's operational management, asset security, and the truthfulness and fairness of financial reports and related information. No material or significant deficiencies were identified in financial or non-financial reporting during the reporting period.In the coming year, the Company will continue to revise and improve its internal control management systems in light of its development strategy, changes in the external operating environment, and industry trends. It will maintain the effective operation of its internal control system, further implement refined management controls, strengthen supervision and inspection of internal control execution, and continuously optimize business processes and the internal control environment. These efforts aim to provide reasonable assurance for achieving the Company's economic benefits and strategic objectives, thereby promoting its healthy and high-quality development.

Explanation of Significant Deficiencies in Internal Controls During the Reporting Period

☐ Applicable √ Not Applicable

XIII. Management Control Over Subsidiaries During the Reporting Period

√ Applicable ☐ Not Applicable

During the reporting period, the Company strictly adhered to the Listed Company Standard Operating Procedures, establishing a comprehensive, multi-tiered management and supervision system for subsidiaries. This system implements full-process management and dynamic oversight across key areas of subsidiary operations, including business decision-making, investment activities, information disclosure, financial and capital control, guarantee operations, personnel management, and production operations.Concurrently, the Company established a routine tracking mechanism to continuously monitor subsidiaries' financial status, production and operational dynamics, project construction progress, and safety, environmental, and compliance matters. This ensures timely, accurate, and complete disclosure of material information, effectively mitigates operational risks, and safeguards the interests of the listed company and all shareholders.

XIV. Explanation Regarding the Internal Control Audit Report

√ Applicable ☐ Not Applicable

Lixin Certified Public Accountants LLP conducted an independent audit of the Company's internal control effectiveness for the 2024 fiscal year and issued an internal control audit report with a standard unqualified opinion, consistent with the findings of the Company's Board of Directors' self-assessment report. For detailed content, please refer to the Shanghai Stock Exchange website (http://www.sse.com.cn).

Whether the internal control audit report is disclosed: Yes

Type of Internal Control Audit Opinion: Standard Unqualified Opinion

XV. Rectification Status of Self-inspection Issues Identified in the Special Campaign on Listed Company Governance Not applicable

XVI. Other

☐ Applicable √ Not Applicable

Section V Environmental and Social Responsibility

I. Environmental Information

Has an environmental protection mechanism been established?	Yes
Environmental Protection Investment During the Reporting Period (Unit: 10,000 yuan)	196.64

(1) Environmental Protection Status of Companies and Major Subsidiaries Designated as Key Polluters by Environmental Protection Authorities

☐ Applicable √ Not applicable

(2) Environmental protection status of companies not listed as key polluting entities by the environmental protection department

√ Applicable ☐ Not applicable

1. Administrative penalties imposed for environmental violations

☐ Applicable √ Not Applicable

2. Disclosure of Other Environmental Information in Reference to Key Polluting Units

☐ Applicable √ Not Applicable

3. Reasons for not disclosing other environmental information

☐ Applicable √ Not applicable

(3) Information relevant to ecological protection, pollution prevention, and fulfillment of environmental responsibilities

√ Applicable ☐ Not applicable

For specific details, please refer to the "Zhejiang Jiechang Linear Drive Technology Co., Ltd. 2024 Environmental, Social, and Governance (ESG) Report" disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn) on the same day as this annual report.

(4) Measures and Effects of Carbon Emission Reduction Implemented by During the Reporting Period

Whether Carbon Reduction Measures Were Implemented	Yes
Reduction in CO_2 Equivalent Emissions (Unit: Tons)	-
Types of carbon reduction measures (e.g., using clean energy for power generation, employing carbon reduction technologies in production processes, developing new products that aid carbon reduction)	Photovoltaic solar energy, as a renewable energy source, plays a crucial role in environmental protection. benefits and economic returns. The company actively installs rooftop solar panels to contribute to environmental improvement and sustainable, green development. Additionally, the company encourages employees to adopt paperless office practices, print documents double-sided, and reuse single-sided scrap paper. . All office lighting equipment uses energy-efficient bulbs. The company encourages employees to adopt green and low-carbon commuting to conserve energy and reduce pollution.

Specific Description

☐ Applicable √ Not Applicable

II. Social Responsibility Initiatives

(1) Do you separately disclose a social responsibility report, sustainability report, or ESG report?

√ Applicable ☐ Not Applicable

For specific details, please refer to the "Zhejiang Jiechang Linear Drive Technology Co., Ltd. 2024 Environmental, Social, and Governance (ESG) Report" disclosed on the Shanghai Stock Exchange website (www.sse.com.cn) concurrently with this annual report.

(2) Specific Details of Social Responsibility Initiatives

√ Applicable □ Not Applicable

External Donations and Public Welfare Projects	Quantity/Content	Description

Total Investment (RMB 10,000)	179.75	Social Welfare Donations and Sponsorships
Of which: Funds (RMB 10,000)	179.75	
Material Value (RMB 10,000)		
Beneficiaries (persons)		

Specific Details

☐ Applicable √ Not applicable

III. Specific Details on Consolidating and Expanding Poverty Alleviation Achievements, Rural Revitalization, and Related Work

☐ Applicable √ Not Applicable

Specific Details

☐ Applicable √ Not Applicable

Section VI Important Matters

I. Status of Commitment Implementation

(1) Commitments made by the company's actual controller, shareholders, related parties, acquirers, and other relevant parties during the reporting period or extending into the reporting period

√ Applicable □ Not Applicable

Commitment Background	Type of Commitment	Committing Party	Commitment Content	Commitment Date	Is There a Performance Deadline?	Commitment Period	Whether Timely and Strictly Fulfilled	If not fulfilled in a timely manner, specify the specific reason for non-fulfillment Reason	If timely performance is not possible, describe the next action plan
Commitments related to the initial public offering	Share Lock-Up	All directors and senior management	See Note 1	2018	Yes	During the period of serving as a director or senior executive of the company and within six months after leaving office	Yes	Not applicable	Not applicable
	Share Lock-Up	All Supervisors	See Note 2	2018	Yes	During tenure as company supervisor and six months after departure .	Yes	Not applicable	Not applicable
	Other	Controlling Shareholder and Beneficial Owner Hu Renchang, Shareholder Holding Over 5% Lu Xiaojian, Xinchang County Zhongsheng Investment Co., Ltd. Sheng Investment Co., Ltd.	See Note 3	2018	Yes	The specific period described in Note 3	Yes	Not applicable	Not applicable
	Other	Company, Controlling Shareholders, Directors and Senior Management	See Note 4	2018	Yes	the specific period described in Note 4 Limited	Yes	Not applicable	Not applicable
	Resolution of Related Party Transactions	Controlling Shareholder and Actual Controller Hu Renchang, Shareholder Holding Over 5% Lu Xiaojian, Xinchang County Zhongsheng Investment Co., Ltd. Sheng Investment Co., Ltd.	See Note 5	2018	Yes	Continuously effective	Yes	Not applicable	Not applicable

Yes	Other	All Directors of the Company	See Note 8	2020	is	sustained effectiveness	is	Not applicable	Not applicable
	Other	Controlling Shareholder and Beneficial Owner Hu Renchang	See Note 9	2020	Yes	Continuously effective	Yes	Not applicable	Not applicable
Commitments related to equity incentives	Other	Company	See Notes 10	2022	Yes	May 11, 2022 to completion of the plan	Yes	Not applicable	Not applicable
	Other	Company	See Notes 11	2022	Yes	May 11, 2022 to completion of the plan	Yes	Not applicable	Not applicable
	Other	2022 Restricted Stock Incentive Plan All Incentive Recipients	See Notes 12	2022	Yes	May 11, 2022 to completion of the plan	Yes	Not applicable	Not applicable

Note 1: The Company's directors and senior management have committed that: "After the expiration of the lock-up period for the shares held by me, during my tenure as a director or senior management of the issuer, the shares transferred annually shall not exceed 25% of the total shares of the issuer held by me; within 6 months after leaving office, I shall not transfer the shares of the issuer held by me.If shares held by the undersigned are reduced within two years after the expiration of the lock-up period, the reduction price (adjusted for rights and dividends in accordance with the relevant rules of the Shanghai Stock Exchange if adjustments are made due to cash dividends, bonus shares, capitalization of reserves, etc.) shall not be lower than the issue price."

Note 2: The Company's Supervisors undertake: "After the expiration of the lock-up period for the shares held by me, during my tenure as a supervisor of the issuer, the shares transferred annually shall not exceed 25% of the total shares of the issuer held directly or indirectly by me; within six months after leaving office, I shall not transfer any shares of the issuer held directly or indirectly by me."

Note 3: Controlling shareholder and actual controller Hu Renchang, shareholder holding over 5% Lu Xiaojian, and Xinchang County Zhongsheng Investment Co., Ltd. hereby commit: 1. Any reduction of shares held in the Issuer by the undersigned shall comply with relevant laws, regulations, and Shanghai Stock Exchange rules, including but not limited to secondary market centralized competitive bidding, block trading, and agreement transfers.2. If shares held by the undersigned are reduced within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issue price (if adjustments are made due to cash dividends, bonus shares, capitalization of reserves, or new share issuances, the shares shall be adjusted in accordance with the relevant rules of the Shanghai Stock Exchange)3. Within two years after the expiration of the lock-up period for my shares, the total number of shares disposed of annually shall not exceed 25% of my total holdings in the issuer. Should the lock-up period need to be extended pursuant to other public commitments made by me, the aforementioned period shall be extended accordingly.4. Prior to reducing holdings of the issuer's shares, the undersigned shall notify the issuer three trading days in advance and make an announcement, while complying with the Company Law, Securities Law, and relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange.

Note 4: Measures and Commitments by the Company, Controlling Shareholders, Directors, and Senior Management to Compensate for Diluted Immediate Returns:

(1) Relevant Commitments by the Company

To mitigate the dilution effect on immediate returns from this public offering, Jiechang Drive commits to implementing the following measures to enhance asset quality, increase corporate earnings, and achieve sustainable development, thereby offsetting the diluted immediate returns. The Company pledges to undertake the following specific actions:

1. Strengthen management of raised funds and accelerate investment progress of fundraising projects

The Company will strictly manage the use of raised funds in accordance with the relevant requirements of the Shanghai Stock Exchange and the Company's regulations on the management of raised funds, ensuring that raised funds are fully and effectively utilized for their original purposes.

.

Upon receipt of the proceeds from this offering, the Company will allocate internal resources to accelerate the construction of the fundraising projects, improve the efficiency of raised funds utilization, strive for the early production capacity of the fundraising projects and realize the expected benefits, thereby enhancing the Company's profitability.Prior to the receipt of the raised funds, to expedite the profitability of the fundraising projects, the Company intends to actively raise funds through multiple channels, allocate resources proactively, carry out preliminary preparatory work for the fundraising projects, enhance talent and technical reserves related to the projects, strive to realize the expected returns of the projects as soon as possible, increase shareholder returns in the coming years, and mitigate the risk of immediate return dilution caused by the issuance.

2. Strengthen Cost and Expense Management, Intensify Market Development Efforts

The Company will implement rigorous and scientific cost and expense management. This includes strengthening organizational management in procurement, production, and product quality control processes, enhancing budgetary oversight of expenses, and improving operational efficiency. These measures aim to elevate profit margins while comprehensively and effectively controlling operational and management risks.

Simultaneously, the company will refine and expand its business operations based on its existing marketing network, striving to provide superior services to a broader client base. It will continuously improve its technology and service systems, broaden the coverage of sales channels and service networks, and leverage first-class technology and services to drive market expansion, thereby optimizing its strategic market positioning.

3. Strengthening Investor Return Mechanisms

The company implements an active profit distribution policy, prioritizing reasonable returns for investors while maintaining continuity and stability. In accordance with relevant regulations and supervisory requirements of the China Securities Regulatory Commission (CSRC), the company has formulated a post-listing "Draft Articles of Association" detailing profit distribution policies and making public commitments. It has also reviewed and approved the "Proposal on the Company's Dividend Return Plan for the Next Three Years," fully safeguarding shareholders' legally entitled rights to asset returns and enhancing the company's future return capacity.

(2) Commitments by Directors and Senior Management

To ensure the effective implementation of the Company's return replenishment measures, the directors and senior management of the Company make the following commitments:

"1. I pledge not to transfer benefits to other entities or individuals without compensation or under undisclosed terms, nor to harm the company's interests through any other means. 2. I pledge to exercise restraint over the official expenditures of directors and senior management.

3. I pledge not to use company assets for investment or consumption activities unrelated to my duties.

4. I pledge that the compensation system established by the Board of Directors or the Compensation Committee shall be linked to the implementation of the Company's compensation measures.

5. I pledge that if the company implements an equity incentive plan in the future, the vesting conditions for such incentives shall be linked to the implementation of the company's compensation recovery measures.

6. After the date of this commitment, if the China Securities Regulatory Commission (CSRC) issues new regulatory requirements regarding compensation measures and related commitments, and the above commitments fail to meet such requirements, I commit to issuing a supplemental commitment in accordance with the latest CSRC regulations at that time.

7. Should I fail to fulfill the above commitments, I will publicly explain the specific reasons for non-compliance and apologize at the Company's shareholders' meeting and in newspapers designated by the CSRC. Furthermore, if such breach causes losses to the Company or investors, I agree to bear compensation liability to the Company or investors in accordance with the law.

Annex 5: Controlling Shareholder and Actual Controller Hu Renchang, Shareholder Holding Over 5% Lu Xiaojian, and Xinchang County Zhongsheng Investment Co., Ltd. Commit: "1. To ensure the operational independence, asset integrity, personnel independence, and financial independence of Jiechang Drive to avoid or minimize unnecessary related-party transactions; 2. For unavoidable related-party transactions, to strictly adhere to the principles of market openness, fairness, and equity.Transaction prices shall be determined by reference to prevailing market standards, and related-party transaction contracts shall be executed in accordance with the law. 3. Strictly comply with the company's articles of association and relevant regulatory provisions, fulfill the voting avoidance procedures for related shareholders and directors, and ensure independent directors independently express opinions on related-party transactions to guarantee the legality of related-party transaction procedures and the fairness and reasonableness of transaction outcomes. 4. Strictly comply with information disclosure rules concerning related-party transactions."

Note 6: Controlling Shareholder and Actual Controller Hu Renchang pledges: "I currently do not engage in or invest in businesses identical or similar to those of the Company or its controlled entities;During my tenure as the Company's controlling shareholder and actual controller, I shall not directly or indirectly engage in or participate in any business or project identical, similar, or analogous to those of the Company or its controlled entities. I shall not seek business opportunities belonging to the Company for myself or any third party, nor shall I engage in any other competitive conduct that harms or may harm the Company's interests. Should any other enterprise under my actual control or that of my close family members violate the above commitments and guarantees, I shall bear the economic losses incurred by the Company as a result."

Note 7: All directors of the Company undertake: "The application documents for this private placement of shares contain no false records, misleading statements, or material omissions, and we assume individual and joint legal liability for their authenticity, accuracy, and completeness."

Note 8: To ensure the Company's profit-sharing measures are effectively implemented and to safeguard the lawful rights and interests of the Company and all shareholders, all directors and senior management of the Company undertake to faithfully and diligently perform their duties as directors and senior management and make the following commitments: "1. I undertake not to transfer benefits to other entities or individuals without compensation or under unfair conditions, nor to harm the Company's interests through other means;2. I pledge to exercise restraint over my official expenditures; 3. I pledge not to use company assets for investments or consumption unrelated to my duties; 4. I pledge that the compensation system established by the Board of Directors or Compensation Committee shall be linked to the implementation of the Company's compensation replenishment measures;5. I pledge that the vesting conditions for any proposed company equity incentive plan (if applicable) shall be linked to the implementation of the company's return compensation measures; 6. From the date of this pledge letter until the completion of the company's current private placement, should the China Securities Regulatory Commission (CSRC) issue new regulatory requirements regarding return compensation measures and related pledges, and should the above pledges fail to satisfy such CSRC requirements, I pledge to issue a supplemental pledge in accordance with the latest CSRC regulations at that time;7. I undertake to faithfully implement the Company's established measures for compensating losses and any related commitments I have made. Should I breach such commitments and cause losses to the Company or investors, I agree to bear the corresponding compensation liability to the Company or investors in accordance with the law.

Note 9: To ensure the effective implementation of the Company's return compensation measures and safeguard the lawful rights and interests of the Company and all shareholders, Hu Renchang, the controlling shareholder and actual controller of the Company, makes the following commitments regarding the return compensation measures for the dilution of immediate returns arising from this issuance: "1. I undertake not to interfere in the management activities of the listed company beyond my authority or infringe upon the interests of the listed company;2. Should I breach the above commitments and cause losses to the listed company or investors, I agree to bear compensation liability to the listed company or investors in accordance with the law; 3. From the date of this commitment until the completion of the Company's private placement, if the China Securities Regulatory Commission (CSRC) issues new regulatory requirements regarding return compensation measures and related commitments, and the above commitments fail to meet such CSRC requirements, I commit to issue supplementary commitments in accordance with the latest CSRC regulations at that time;4. As one of the responsible parties for the return compensation measures, should I violate the above commitments or refuse to fulfill them, I agree that the CSRC, the Shanghai Stock Exchange, and other securities regulatory authorities may impose relevant penalties or take regulatory measures against me in accordance with the relevant rules and regulations formulated or issued by them.

Note 10 Company Commitment: "The Company shall not provide loans or any other form of financial assistance, including guarantees for loans, to the incentive recipients of this Restricted Stock Incentive Plan for obtaining restricted stocks under this plan."

Note 11 Company Commitment: "The information disclosure documents related to this incentive plan contain no false records, misleading statements, or material omissions."

Note 12 All Incentive Recipients Commit: "If the Company becomes ineligible for the grant or exercise of equity interests due to false records, misleading statements, or material omissions in the information disclosure documents, the Incentive Recipients shall return all benefits obtained under this Incentive Plan to the Company upon confirmation of such false records, misleading statements, or material omissions in the relevant information disclosure documents."

(2) If the Company's assets or projects are subject to profit forecasts and the reporting period remains within the forecast period, the Company shall explain whether such assets or projects have met the original profit forecasts and the reasons therefor.

☐ Met ☐ Not Met √ Not Applicable

(3) Status of performance commitment fulfillment and its impact on goodwill impairment testing

☐ Applicable √ Not applicable

II. Non-operational fund occupation by controlling shareholders and other related parties during the reporting period

☐Applicable √Not applicable

III. Non-Compliant Guarantees

☐ Applicable √ Not Applicable

IV. Explanation by the Company's Board of Directors Regarding the "Non-Standard Opinion Audit Report" Issued by the Accounting Firm

☐ Applicable √ Not Applicable

V. Analysis and Explanation of Reasons and Impacts for Changes in Accounting Policies, Accounting Estimates, or Corrections of Significant Accounting Errors

(1) Analysis and Explanation of Reasons and Impacts of Changes in Accounting Policies and Estimates

√Applicable ☐ Not applicable

(1) Implementation of the provisions of Interpretation No. 17 of the Accounting Standards for Business Enterprises:"Classification of Current Liabilities and Non-Current Liabilities" and "Disclosure of Supplier Financing Arrangements''

The Ministry of Finance issued Interpretation No. 17 of the Accounting Standards for Business Enterprises (Cai Kui [2023] No. 21, hereinafter referred to as "Interpretation No. 17") on October 25, 2023.

hereinafter referred to as ''Interpretation No. 17'')

① Classification of Current Liabilities and Non-current Liabilities

If an enterprise does not have a substantive right to defer settlement of a liability beyond one year after the balance sheet date, the liability shall be classified as a current liability.

For liabilities arising from loan arrangements, the entity's right to defer settlement beyond the balance sheet date may depend on compliance with conditions specified in the loan arrangement (hereinafter referred to as "covenant conditions"). When determining whether such a substantive right exists, the entity should consider only covenant conditions that are due to be complied with on or before the balance sheet date, and should not consider those due to be complied with after the balance sheet date.

The settlement of liabilities for the purpose of classifying their liquidity refers to the discharge of the liability by the enterprise to the counterparty through the transfer of cash, other economic resources (such as goods or services) or its own equity instruments. If a liability's terms result in settlement through delivery of the entity's own equity instruments at the counterparty's option, and the entity classifies such an option as an equity instrument in accordance with Accounting Standard for Business Enterprises No. 37—Presentation of Financial Instruments and recognizes it separately as the equity component of a compound financial instrument, this provision does not affect the liquidity classification of the liability.

This Interpretation shall be effective as of January 1, 2024. When an enterprise first applies this Interpretation, it shall adjust comparative period information in accordance with this Interpretation. The application of this

Interpretation has not had a material impact on the Company's financial position and results of operations.

② Disclosure Regarding Supplier Financing Arrangements

Interpretation 17 requires an entity to aggregate disclosures related to supplier financing arrangements in the notes to its financial statements to assist users in assessing the impact of these arrangements on the entity's liabilities, cash flows, and exposure to liquidity risk. When identifying and disclosing liquidity risk information, the impact of supplier financing arrangements should also be considered. This disclosure requirement applies only to supplier financing arrangements.

The disclosure requirement applies only to supplier financing arrangements.A supplier financing arrangement refers to a transaction with the following characteristics: one or more financing providers supply funds to pay an entity's amounts due to suppliers, with an agreement that the entity repays the financing providers on or after the day the suppliers receive payment, in accordance with the arrangement's terms and conditions. Compared to the original payment due date, the supplier financing arrangement extends the entity's payment period or advances the collection period for the entity's suppliers.

This Interpretation takes effect on January 1, 2024. When first applying this Interpretation, an enterprise is not required to disclose comparative period information or certain opening balance information. The application of this Interpretation has not had a material impact on the Company's financial position or results of operations.

(2) Implementation of Interpretation No. 18 of the Accounting Standards for Business Enterprises

On December 6, 2024, the Ministry of Finance issued Interpretation No. 18 of the Accounting Standards for Business Enterprises (Cai Kui [2024] No. 24, hereinafter referred to as "Interpretation No. 18").

hereinafter referred to as ''Interpretation No. 18'')

When accounting for estimated liabilities arising from warranty-type quality guarantees that do not constitute individual performance obligations, entities shall, in accordance with the relevant provisions of Enterprise Accounting Standard No. 13—Contingent Liabilities, debit accounts such as ''Cost of Main Business'' or ''Other Business Costs,'' etc., and credit the ''Provision for Liabilities'' account. The corresponding amounts shall be presented in the ''Cost of Sales'' item on the income statement and in the ''Other Current Liabilities,'' ''Current Portion of Non-Current Liabilities,'' ''Provision for Liabilities," etc., items on the balance sheet.

When initially implementing this interpretation, if an enterprise previously recognized warranty-related quality guarantees under "Selling Expenses," it shall make retrospective adjustments in accordance with changes in accounting policies. The implementation of this provision has not had a material impact on the Company's financial position or results of operations.

(2) Analysis and Explanation of the Causes and Impact of Corrections to Significant Accounting Errors by

☐ Applicable √ Not Applicable

(3) Communication between and the Previous Accounting Firm

☐ Applicable √ Not Applicable

(4) Approval Procedures and Other Explanations

√ Applicable ☐ Not applicable

On April 24, 2025, the Company convened the 18th Meeting of the Fifth Board of Directors and the 18th Meeting of the Fifth Board of Supervisors.These meetings reviewed and approved the "Proposal on Accounting Policy Change," agreeing to amend the Company's accounting policies in accordance with relevant documents issued by the Ministry of Finance. This matter does not require submission to the shareholders' meeting for deliberation.This accounting policy change is implemented by the Company in accordance with relevant regulations and requirements of the Ministry of Finance, and complies with applicable laws and regulations. The implementation of the revised accounting policies will objectively and fairly reflect the Company's financial position and operating results. This change will not impact the Company's financial position, operating results, or cash flows, does not involve retrospective adjustments for prior periods, and does not harm the interests of the Company or its minority shareholders.

VI. Appointment and Dismissal of Accounting Firms

Unit: RMB 10,000 Currency: RMB

	Current Appointment
Name of Domestic Accounting Firm	Lixin Certified Public Accountants LLP
Remuneration for Domestic Accounting Firm	130
Domestic Accounting Firm Audit Term	12
Domestic CPA Firm Certified Public Accountant Names	Shen Ligang, Tao Shucheng, Sun Feng

	Name	Fee
Internal Control Audit Accounting Firm	Lixin Certified Public Accountants LLP	20
Financial Advisor	-	-
Sponsor	Credit Suisse Securities (China) Co., Ltd.	0

Statement on the Appointment and Dismissal of Accounting Firms

√ Applicable □ Not Applicable

The Company convened its Twelfth Meeting of the Fifth Board of Directors and the 2023 Annual General Meeting of Shareholders, which approved the reappointment of Lixin Certified Public Accountants (Special Special General Partnership) as the Company's audit institution for the 2024 annual financial report, with a term of one year.

Statement on the Appointment of an Accounting Firm During the Audit Period

□Applicable √ Not applicable

Explanation of Audit Fee Decrease of 20% or More Compared to the Previous Year

□ Applicable √ Not applicable

VII. Circumstances Involving Delisting Risk

(1) Reasons for delisting risk warnings

□Applicable √ Not applicable

(2) Countermeasures Proposed by the Company

□ Applicable √ Not Applicable

(3) Circumstances and Reasons for Potential Termination of Listing

□Applicable √ Not applicable

VIII. Matters Related to Bankruptcy Reorganization

□ Applicable √ Not Applicable

IX. Significant Litigation and Arbitration Matters

□The company had significant litigation or arbitration matters during the current fiscal year. √The company had no significant litigation or arbitration matters during the current fiscal year.

X. Violations, Penalties, and Rectification Measures Involving the Listed Company and Its Directors, Supervisors, Senior Management, Controlling Shareholders, and Actual Controllers

□ Applicable √ Not Applicable

XI. Statement on Integrity Status of the Company, Its Controlling Shareholders, and Actual Controllers During the Reporting Period

□ Applicable √ Not applicable

XII. Significant Related-Party Transactions

(1) Related-party transactions related to daily operations

1. Matters previously disclosed in interim announcements with no subsequent progress or changes

☐Applicable √Not Applicable

2. Matters disclosed in interim announcements with subsequent implementation progress or changes

√ Applicable ☐ Not Applicable

On April 22, 2024, the Company convened its Twelfth Meeting of the Fifth Board of Directors, which reviewed and approved the "Proposal on the Company's 2024 Annual

The estimated aggregate amount of daily related-party transactions between the Company and its subsidiaries and Zhejiang Wendao Intelligent Equipment Co., Ltd., Ningbo Youdao Metal Products Co., Ltd., and Wendao Intelligent Equipment Kft. for the 2024 fiscal year shall not exceed RMB 222,320,000 (excluding VAT) This proposal was approved at the Company's 2023 Annual General Meeting of Shareholders.

During the reporting period, the actual related-party transaction amount for the purchase of goods by the Company and its subsidiaries from Zhejiang Wendao Intelligent Equipment Co., Ltd. was 35.5414 million yuan, while the actual related-party transaction amount for the sale of goods was 115,000 yuan. Other actual related-party transactions amounted to 359,500 yuan ; the actual related-party transaction amount for purchasing goods from Ningbo Youdao Metal Products Co., Ltd. was RMB 142.8095 million, and other actual related-party transactions amounted to RMB 3.595 million. Related-party transactions occurring during the period amounted to RMB 1.4618 million, with all such transactions remaining within the anticipated scope.

3. Matters Not Disclosed in the Interim Announcement

☐ Applicable √ Not Applicable

(II) Related-party transactions arising from asset or equity acquisitions/disposals

1. Matters disclosed in interim announcements with no subsequent progress or changes

☐ Applicable √ Not Applicable

2. Matters disclosed in interim announcements with subsequent implementation progress or changes

√Applicable ☐Not Applicable

On July 16, 2024, the Company convened its 13th Meeting of the Fifth Board of Directors, which reviewed and approved the"Proposal on the Company's Asset Acquisition and Related Party Transaction," approving the Company to use its own funds to purchase the following properties developed and constructed by Zhejiang Jiechang Holding Co., Ltd.: - Building 1, Floors 2-10 of "Drive Intelligence Valley Center" located at No. 135, Titan Avenue, Xinchang County, Zhejiang Province, to be used as the Company's R&D and office building; - 36 apartments on Floors 13-18 of Building 3, to be used as talent apartments. For details, please refer to the "Announcement of Zhejiang Jiechang Linear Drive Technology Co., Ltd. on the Purchase of Assets and Related Party Transactions" (Announcement No.: 2024-031) disclosed by the Company on the Shanghai Stock Exchange website on July 18, 2024. The Company has completed the signing of the transaction contract, payment settlement, and relevant procedures for real estate transfer registration.

3. Matters Not Disclosed in the Interim Announcement

☐ Applicable √ Not Applicable

4. Where performance covenants are involved, disclose the achievement of performance targets during the reporting period

☐ Applicable √ Not Applicable

(3) Major Related-Party Transaction Involving Joint External Investment

1. Matters disclosed in interim announcements with no subsequent progress or changes

☐Applicable √Not applicable

2. Matters disclosed in interim announcements with subsequent implementation progress or changes

☐Applicable √ Not applicable

3. Matters not disclosed in interim announcements

☐Applicable √Not applicable

(IV) Related Party Debt and Credit Transactions

1. Matters disclosed in the interim announcement with no subsequent progress or changes

☐Applicable √Not applicable

2. Matters disclosed in the interim announcement with subsequent implementation progress or changes

☐Applicable √ Not applicable

3. Matters not disclosed in interim announcements

☐Applicable √Not applicable

(5) Financial transactions between the Company and its affiliated finance companies, or between the Company's controlled finance companies and related parties

☐Applicable √Not applicable

(VI) Other

☐ Applicable √ Not applicable

XIII. Significant Contracts and Their Performance Status (I) Custody, Contracting, and Leasing Matters 1. Custody Status

☐ Applicable √ Not Applicable **2. Contracting Status**

☐ Applicable √ Not Applicable

3. Lease Status

☐ Applicable √ Not Applicable

(II) Guarantee Status

√ Applicable □ Not Applicable

Unit: Billion RMB Currency: RMB

Company's External Guarantees (Excluding Guarantees to Subsidiaries)														
Guarantor	Relationship Between Guarantor and Listed Company	Guarantee Recipient	Guarantee Amount	Guarantee Date (Agreement Signing Date)	Guarantee Commencement Date	Guarantee Expiration Date	Guarantee Type	Collateral (if applicable)	Has the guarantee been fully discharged?	Is the guarantee overdue?	Amount of Overdue Guarantee	Counter-guarantee status	Is it a guarantee for a related party?	Related party relationship

Total guarantees incurred during the reporting period (excluding guarantees for subsidiaries)	
Total Guarantee Balance at Period-End (A) (Excluding Guarantees to Subsidiaries)	
Guarantees Provided by the Company and Its Subsidiaries to Subsidiaries	
Total guarantees issued to subsidiaries during the reporting period	3.34
Total outstanding guarantees for subsidiaries at the end of the reporting period (B)	4.77
Total Guarantees Provided by the Company (Including Guarantees for Subsidiaries)	
Total guarantees (A+B)	4.77
Total guarantees as a percentage of the company's net assets (%)	11.03
Of which:	
Amount of guarantees provided to shareholders, actual controllers, and their related parties (C)	
Debt guarantees provided directly or indirectly to guaranteed parties with a debt-to-asset ratio exceeding 70% Amount (D)	4.77
Amount exceeding 50% of net assets (E)	79 / 320
Total of the above three guarantee amounts (C+D+E)	4.77
Explanation of Potential Joint Liability for Unmatured Guarantees	
Guarantee Situation Statement	All guaranteed entities are subsidiaries within the scope of the consolidated financial statements; no other external guarantees exist.

(3) Cash Asset Management Entrusted to Third Parties 1. Entrusted Investment Management

(1) Overall Situation of Entrusted Investment Management

√ Applicable ☐ Not applicable

Unit: RMB 10,000 Currency: RMB

Type	Funding Source	Amount	Outstanding Balance	Overdue Amounts
Bank Wealth Management Products	Proprietary Funds	29,800.00	0.00	0.00
Brokerage Wealth Management Products	Proprietary Funds	19,500.00	17,000.00	0.00

Other circumstances

√ Applicable ☐ Not applicable

As of the end of the reporting period, the outstanding balance of the Company's entrusted financial management was RMB 170 million; as of the date of this report, all such entrusted financial management products have matured and been recovered.

(2) Details of Individual Entrusted Investments

√ Applicable ☐ Not applicable

Unit: RMB 10,000 Currency: Renminbi

Trustee	Type of Entrusted Investment	Amount of Entrusted Investment	Entrusted Investment Start Date	Entrusted Investment Termination Date	Fund Source	Fund Investment Direction	Restrictions	Method of Remuneration Determination	Annualized Rate of Return	Expected Return (if applicable) Available)	Actual gain or loss	Outstanding Amount	Overdue Uncollected Amount	Whether legal proceedings have been initiated	Future entrustment of financial management Allocation	Amount of impairment allowance provisioned (if applicable) Applicable)
Bank of Ningbo	Bank Wealth Management Products	2,000.00	2024-05-20	2024-06-24	Equity	-	No	-	2.04%	-	3.68	-	-	Yes	Yes	

	Product		-02	8-05												
China Merchants Bank	Bank Wealth Management Products	10,000.00	July 2024 -11	2024-07-29	Equity	-	No	-	1.76%	-	7.66	-	-	Yes	Yes	
Bank of Ningbo	Bank Wealth Management Product	3,500.00	2024-09 -29	2024-10-29	Equity	-	No	-	1.91%	-	5.56	-	-	Yes	Yes	
CITIC Securities	Securities Brokerage Wealth Management Product	1,000.00	2024-10 -29	2024-11-28	Equity	-	No	-	1.83%–1.90%	-	1.56	-	-	Yes	Yes	
CITIC Securities	Securities Firm Wealth Management Product	299.90	2024-11 -27	2024-12-04	Equity	-	No	-	1.85%	-	0.11	-	-	Yes	Yes	
CITIC Securities	Securities Brokerage Wealth Management Product	200.00	2024-11 -27	2024-12-11	Equity	-	No	-	1.84%	-	0.14	-	-	Yes	Yes	
CITIC Securities	Securities Brokerage Wealth Management Product	500.00	December 2024 -05	2024-12-26	Equity	-	No	-	2.50%	-	0.72	-	-	Yes	Yes	
CITIC Securities	Securities Brokerage Wealth Management Product	500.10	2024-12 -12	2024-12-19	Equity	-	No	-	1.94%	-	0.19	-	-	Yes	Yes	
GF Securities	Brokerage Wealth Management Product	2,000.00	2024-12 -26	2025-01-15	Equity	-	No	-	2.94%	-	2.77	2,000.00	-	Yes	Yes	
GF Securities	Brokerage Wealth Management	5,000.00	November 2024 -15	2025-01-15	Equity	-	No	-	1.80%-1.90%	-	19.33	5,000.00	-	Yes	Yes	

Other circumstances

□Applicable √ Not applicable

(3) Impairment reserve for entrusted asset management

☐Applicable √

Not applicable **2.**

Entrusted Loans

(1) Overall Situation of Entrusted Loans

☐Applicable √ Not applicable

Other Circumstances

☐ Applicable √ Not applicable

(2) Single-item entrusted loan situation

☐Applicable √ Not applicable

Other Situations

☐ Applicable √ Not applicable

(3) Impairment reserve for entrusted loans

☐Applicable √ Not applicable

3. Other circumstances

☐Applicable √ Not applicable

(IV) Other Significant Contracts

☐Applicable √ Not applicable

XIV. Progress Report on the Use of Raised Funds

√ Applicable ☐ Not Applicable

(1) Overall Use of Raised Funds

√ Applicable ☐ Not Applicable

Unit: RMB 10,000

Use of Raised Funds Funding sources Other Notes	Funds raised Time	Funds raised Total Amount	Funds raised Net Amount (1)	Prospectus or Prospectus Book-building Fund Commitment Total Investment (2)	Total Amount of Oversubscribed Funds (3) = (1) - (2)	Total cumulative raised funds invested as of the end of the reporting period (4)	Of which: To the Reporting Period Final oversubscription Cumulative Investment Total Investment (5)	As of the reporting End-of-period fundraising Funds raised Investment Progress (%)(6) = (4)/(1)	As of the reporting Excess Funds Raised at End of Period Cumulative Funds Investment Progress (%)(7) = (5)/(3)	Amount invested during the current year (8)	Percentage of Total Investment for the Year (%) (9) = (8) / (1)	Change in Use Fundraising Process Fund Raising Total Amount
Issuance of shares to specific entities	September 30, 2020	148,500.00	146,132.42	146,132.42	0	127,599.95	0	87.32	-	50,710.26	34.70	55,918.57
Issuance of shares	/	148,500.00										
Total	/	148,500.00	146,132.42	146,132.42	0	127,599.95	0	/	/	50,710.26	/	55,918.57

(II) Details of Fundraising Investment Projects

√ Applicable ☐ Not Applicable

1. Details of Raised Funds Utilization

√ Applicable ☐ Not Applicable

Unit: RMB 10,000

Sources of Raised Funds	Project Name	Project Nature	Whether it is a prospectus or offering circular Included in Prospectus	Involves Change in Investment Direction	Total Planned Investment of Raised Funds (1)	Amount Invested This Year	Total cumulative investment of raised funds as of the end of the reporting period (2)	Cumulative investment progress as of the end of the reporting period (%) (3) = (2) /(1)	Date the project reached its intended usable state	Project Completion Status	Whether investment progress aligns with planned schedule	Specific reasons for investment progress falling short of plan	Benefits realized this year	Benefits or R&D achievements realized by this project	Has there been a significant change in the project's feasibility? If so, please provide details	Amount of surplus funds

			Committed investment items Project													
Issuance of Shares to Specific Entities	Smart Office Drive System Upgrade and Expansion Project	Production and Construction	Yes	Yes, this project has not been canceled. Adjusted total raised funds investment of the fundraising investment	27,232.42	8,376.47	33,636.31	123.52	2024 End of December	Yes	Yes	Not applicable	1,204.14	Annual production reaches 250,000 sets	No	Not applicable
Issuance of shares to specific parties	Construction of European Logistics and Production Base Project Project	Production and construction	No	No	42,000.00	20,754.61	22,743.28	54.15	2026 End of June	No	Yes	Not applicable		Not applicable	No	Not applicable
Issuance of shares to specific entities	Digital System Upgrade and Intelligent Production Line Renovation Project Project	Other	Yes	No	20,000.00	5,985.44	13,195.40	65.98	2026 End of June	No	Yes	Not applicable		Not applicable	No	Not applicable
Private placement of shares Shares	Jiechang Global Operations Center Construction Project	Operations Management	Yes	Yes, this project adopts Consumption	8,281.43	550.21	8,281.43	100.00	Terminated	No	No	Terminated	Not applicable	Not applicable	Yes	Not applicable
Private placement of shares Shares	Supplement working capital	Replenish working capital and repay loans	Yes	No	34,700.00	-	34,700.00	100.00	Not applicable	Yes	Yes	Not applicable		Not applicable		Not applicable

Issuance of Shares to Specific Parties	Permanent working capital replenishment following termination of Jiechang Global Operations Center construction project Working Capital	Replenish working capital and repay loans	No	No	13,918.57	15,043.53	15,043.53	108.08	Not applicable	Yes	Yes	Not applicable	Not applicable	Not applicable		Not applicable
Total	/	/	/	/	146,132.42	50,710.26	127,599.95	87.32	/	/	/	/	1,204.14	/	/	/

Reasons for Changes in the Feasibility of the Jiechang Global Operations Center Project: In 2021, the company acquired Logic Endeavor Group GmbH (hereinafter referred to as "" or "LEG"), an Austrian linear drive manufacturer headquartered in Austria, Europe. LEG has consistently dedicated itself to providing solutions and products for the adjustable furniture market, including height-adjustable desk drive systems and smart home drive systems.Since the acquisition, the company has leveraged LEG's technological achievements, brand, and market channels to further consolidate its R&D capabilities, continuously drive product upgrades and iterations, build brand value in Europe, and empower the company's international development. LEG's advantageous geographical location, mature technological strengths, and customer resources fundamentally meet the company's requirements for establishing a European operations center. The company urgently needs to integrate and optimize existing domestic and international resources from a global operations perspective to avoid redundant investments.Moreover, the company has experienced rapid growth in recent years. Beyond its headquarters and Hangzhou operations, it has established subsidiaries in the United States, Singapore, Austria, Hungary, Malaysia, Japan, and Taiwan, China. This has gradually formed a relatively comprehensive global operational center structure that largely meets the company's current and near-term operational requirements.Currently, each subsidiary leverages its local advantages to maintain strong foresight, rapid responsiveness, and continuous development capabilities in addressing downstream demand in both domestic and international markets, thereby meeting the growing and evolving market needs.

Against this backdrop, to further enhance the efficiency of raised funds utilization, following deliberation and approval at the 16th Meeting of the Fifth Board of Directors, the 16th Meeting of the Fifth Board of Supervisors held on December 4, 2024, and the 2024 First Extraordinary General Meeting of Shareholders convened on December 20, 2024,the Company has terminated the continued implementation of the "Jiechang Global Operations Center Construction Project" and will permanently supplement all remaining raised funds to working capital.

2. Detailed Utilization of Excess Raised Funds

☐ Applicable √ Not Applicable

(3) Changes or Terminations of Raised Funds Investment During the Reporting Period

√ Applicable ☐ Not Applicable

Unit: RMB 10,000

Project Name Before Change	Date of Change (Date of Initial Announcement Disclosure))	Type of Change	Project Name Before Change/Termination Total Investment Amount	Funds Raised Already Invested in the Project Before Change/Termination Total Amount	Project Name After Change	Reason for Change/Termination	Amount of Raised Funds Used for Working Capital After Change/Termination	Decision-making Procedures and Information Disclosure Statement
Jiechang Global Operations Center Construction Project	December 2024 05	Project Cancellation	22,200.00	8,281.43	Permanent Working Capital Supplement	The acquired Logic Endeavor Group GmbH possesses advantageous geographical positioning, mature technological strengths, and customer resources, which fundamentally meet the company's requirements for establishing a European operations center. The company urgently needs to integrate and optimize existing domestic and international resources from a global operations perspective, thereby terminating the Jiechang Global Operations Center construction project to avoid redundant investment.	15,043.53	On December 4, 2024, the Company convened the 16th Meeting of the Fifth Board of Directors and the 16th Meeting of the Fifth Board of Supervisors, which reviewed and approved the "Proposal on Terminating Certain Fund-Raising Projects and Permanently Supplementing Working Capital with Remaining Raised Funds." For details, please refer to the "Announcement of Zhejiang Jiechang Linear Drive Technology Co., Ltd. on Delaying Implementation of Certain Fund-Raising Projects, Adding Implementation Locations, Terminating Certain Fund-Raising Projects, and Permanently Supplementing Working Capital with Remaining Raised Funds" disclosed on the Shanghai Stock Exchange website on December 5, 2024. on the Shanghai Stock Exchange website on December 5, 2024: "Announcement of Zhejiang Jiechang Linear Drive Technology Co., Ltd. on the Extension of Certain Fund-Raising Investment Projects and Addition of Implementation Locations, Termination of Certain Fund-Raising Investment Projects, and Permanent Supplementation of Working Capital with Remaining Raised Funds" (Announcement No.: 2024-043).

(IV) Other Matters Concerning the Use of Raised Funds During the Reporting Period

1. Advance Expenditures and Replacement of Raised Funds for Investment Projects

√ Applicable ☐ Not Applicable

On September 22, 2023, the Company convened its Ninth Meeting of the Fifth Board of Directors and Ninth Meeting of the Fifth Board of Supervisors, which reviewed and approved the "Proposal on Using Owned Foreign Exchange to Pay for Raised Funds Investment Projects and Replacing with Raised Funds of Equivalent Amount."It was agreed that during the implementation period of the fundraising investment project "European Logistics and Production Base Construction Project," the Company may use its own foreign exchange to pay for items such as construction payments and equipment procurement within the project based on actual circumstances, and transfer an equivalent amount of funds from the dedicated fundraising account to the Company's own funds account. The aforementioned replacement of advance investments in fundraising investment projects with raised funds was approved by the sponsor institution, which also issued a special verification opinion on the matter. The Company's independent directors have issued their consenting independent opinions on this matter.

In 2024, the company replaced its own foreign exchange previously invested in the fundraising projects with €3,726,845.13 of raised funds.

2. Temporary Supplementation of Working Capital with Idle Raised Funds

√ Applicable ☐ Not Applicable

On April 22, 2024, the Company convened the Twelfth Meeting of the Fifth Board of Directors and the Twelfth Meeting of the Fifth Board of Supervisors, which reviewed and approved the "Proposal on Temporarily Supplementing Working Capital with Partial Idle Raised Funds." The Company agreed to temporarily supplement working capital with no more than RMB 150 million (inclusive) of idle raised funds, with the usage period not exceeding 12 months from the date of approval by the Board of Directors.

12 months from the date of Board approval.

On April 15, 2025, the Company returned the RMB 150 million idle raised funds used for temporary working capital supplementation to the designated raised funds account, with the usage period not exceeding 12 months. (2025-006)

dedicated account for raised funds, with the usage period not exceeding 12 months. (2025-006)

3. Cash Management of Idle Raised Funds and Investment in Related Products

☐ Applicable √ Not Applicable

4. Other

√ Applicable ☐ Not Applicable

Following approval at the 16th Meeting of the Fifth Board of Directors and the 16th Meeting of the Fifth Board of Supervisors held on December 4, 2024, the Company will add the implementation location for the "Digital System Upgrade and Production Line Intelligent Transformation Project" (adding No. 2 Laisheng Road, Xinchang County High-Tech Industrial Park, Woshi Village Production Base in Chengtan Subdistrict, Xinchang County High-Tech Industrial Park) and extend the project construction period to June 30, 2026.

XV. Explanation of Other Significant Matters with Major Impact on Investors' Value Judgments and Investment Decisions

☐ Applicable √ Not Applicable

Section VII Share Changes and Shareholder Information

I. Changes in Share Capital

(a) Share Change Summary Table

1. Shareholding Changes Table

Unit: Shares

	Before This Change		Changes in this update (+, -)					After this change	
	Quantity	Percentage Change (%)	New share issuance	Stock Dividends	Capital reserve conversion	Other	Subtotal	Quantity	Percentage (%)
I. Restricted Shares	2,348,400	0.61				-1,138,800	-1,138,800	1,209,600	0.32
1. State-owned shares									
2. State-owned Legal Entity Holdings									
3. Other Domestic Shareholders	2,348,400	0.61				-1,138,800	-1,138,800	1,209,600	0.32
Of which: Domestic non-state-owned legal entity holdings									
Domestic natural person holdings	2,348,400	0.61				-1,138,800	-1,138,800	1,209,600	0.32
4. Foreign Shareholding									
Of which: Foreign Legal Entities									
Foreign natural persons									
II. Unrestricted Circulating Shares	382,246,955	99.39						382,246,955	99.68
1. Class A ordinary shares	382,246,955	99.39						382,246,955	99.68
2. Foreign Shares Listed Domestically									
3. Foreign shares listed overseas									
4. Other									
III. Total Number of Shares	384,595,355	100.00				-1,138,800	-1,138,800	383,456,555	100.00

2. Explanation of Share Changes

√ Applicable ☐ Not Applicable

On April 22, 2024, the Company convened the Twelfth Meeting of the Fifth Board of Directors and the Twelfth Meeting of the Fifth Board of Supervisors, which reviewed and approved the "Proposal on Repurchasing and Canceling Certain Restricted Stocks." The meeting approved the repurchase and cancellation of restricted stocks for a total of 6 departing incentive recipients from the initial and reserved grants under the 2022 Restricted Stock Incentive Plan, as well as those d

and approved the "Proposal on Repurchasing and Canceling Certain Restricted Stock Units." The Company agreed to repurchase and cancel a total of 1,138,800 restricted stock units. These units were granted to six departing incentive recipients under the initial and reserved grants of the 2022 Restricted Stock Incentive Plan, as well as units that were granted but not yet unlocked due to the Company's failure to meet its 2023 performance targets.The Company completed the repurchase and cancellation of the relevant shares on July 18, 2024.

Repurchase and cancellation of shares.For details, please refer to the "Announcement of Zhejiang Jiechang Linear Drive Technology Co., Ltd. on the Repurchase and Cancellation of Certain Restricted Shares" (Announcement No.: 2024-016) and the "Announcement of Zhejiang Jiechang Linear Drive Technology Co., Ltd. on the Implementation of Repurchase and Cancellation of Restricted Shares under the Equity Incentive Plan" (Announcement No.: 2024-028) disclosed by the Company on the Shanghai Stock Exchange website on April 24, 2024.

3 . Impact of Share Changes on Financial Indicators (if any) for the Most Recent Fiscal Year and Period, Including Earnings Per Share and Net Assets Per Share

☐ Applicable √ Not Applicable

4. Other information deemed necessary by the Company or required for disclosure by securities regulatory authorities

☐ Applicable √ Not Applicable

(II) Changes in Restricted Shares

√ Applicable ☐ Not Applicable

Unit: Shares

Shareholder Name	Restricted Shares at Beginning of Year Number of Shares	Number of Shares Unlocked This Year Shares	Yearly Increase in Restricted Shares Shares	Year-end restricted shares Shares	Reason for Restriction	Date of Restriction Release Phase
2022 Restricted Stock Incentive Plan Shareholders (Initial Grant)	1,893,400	907,300	0	986,100	Resignation buyback, equity incentive non-performance buyback	July 18, 2024
2022 Restricted Stock Incentive Plan (Proposed Cancellation from Reserved Portion Grant)	455,000	231,500	0	223,500	Resignation buyback, equity incentive non-performance buyback	July 18, 2024
Total	2,348,400	1,138,800	0	1,209,600	/	/

Situation Statement:

On April 22, 2024, the Company convened the Twelfth Meeting of the Fifth Board of Directors and the Twelfth Meeting of the Fifth Board of Supervisors, which reviewed and approved the "Proposal on Repurchasing and Canceling Certain Restricted Stocks." and approved the "Proposal on Repurchasing and Canceling Certain Restricted Stocks," approving the repurchase and cancellation of a total of 1,138,800 shares of restricted stock. These shares correspond to the initial and reserved

grants under the 2022 Restricted Stock Incentive Plan for 6 departing incentive recipients, as well as shares granted but not yet vested due to the Company's failure to meet its 2023 performance targets. This represents approximately 0.30% of the Company's current total share capital.The restricted shares subject to this repurchase and cancellation involve a total of 212 individuals, including 6 departing incentive recipients corresponding to 41,600 shares,

Among the initial grant portion, 5 departing incentive recipients correspond to a total repurchase quantity of 33,600 shares at a repurchase price of RMB 15.51 per share (adjusted for equity distribution).

After adjusting for equity distribution, one departing incentive recipient from the reserved grant portion was repurchased, totaling 8,000 shares at a repurchase price of RMB 11.59 per share (adjusted for equity distribution).Due to the company-level performance targets not being met in 2023, 206 incentive recipients were involved.

per share (adjusted for equity distribution) Due to the company-level performance targets not being met in 2023, 206 incentive recipients were affected. Among them, the first

The initial grant portion involved 16 incentive recipients, with a total repurchase quantity of 873,700 shares at a repurchase price of RMB 15.51 per share (adjusted for equity distribution).

plus bank deposit interest for the same period. The reserved grant portion involved 38 incentive recipients, with a total repurchase quantity of 223,500 shares.

with a repurchase price of RMB 11.59 per share (adjusted for equity distribution) plus bank deposit interest for the same period. The Company completed the repurchase and cancellation of the relevant shares on July 18, 2024.

.

II. Securities Issuance and Listing

(1) Securities Issuance During the Reporting Period

☐ Applicable √ Not Applicable

Explanation of Securities Issuance During the Reporting Period (For bonds with different interest rates during the term, please describe separately)

☐ Applicable √ Not applicable

(2) Changes in the Total Number of Company Shares, Shareholder Structure, and Changes in the Company's Asset and Liability Structure

√ Applicable ☐ Not Applicable

On April 22, 2024, the Company convened the Twelfth Meeting of the Fifth Board of Directors and the Twelfth Meeting of the Fifth Board of Supervisors, which reviewed and approved the "Proposal on Repurchasing and Canceling Certain Restricted Stock Units." The meeting approved the cancellation of restricted stock units for a total of 6 departing incentive recipients from the initial and reserved grants under the 2022 Restricted Stock Incentive Plan, as well as the cancella

and approved the "Proposal on Repurchasing and Canceling Certain Restricted Stock Units." The Company agreed to repurchase and cancel a total of 1,138,800 restricted stock units. These units were granted to six departing incentive recipients under the initial and reserved grants of the 2022 Restricted Stock Incentive Plan, as well as units that were granted but not yet unlocked due to the Company failing to meet its 2023 performance targets.The Company completed the repurchase and cancellation of the relevant shares on July 18, 2024.

At the end of the reporting period, the total number of shares of the Company was 383,456,555.

As of the end of 2023, total assets amounted to RMB 6,708,296,685.40, total liabilities were RMB 2,579,564,285.43, and the debt-to-asset ratio stood at

38.45%. At the end of 2024, total assets amounted to RMB 6,494,172,233.49, total liabilities reached RMB 2,170,261,575.11, and the debt-to-asset ratio stood at 33.42%.

(3) Current Status of Employee Stock Ownership

☐ Applicable √ Not Applicable

III. Shareholders and Controlling Shareholders (1) Total Number of Shareholders

Total Number of Common Shareholders (Households) as of the End of the Reporting Period	33,509
Total number of common shareholders (households) as of the end of the month preceding the annual report disclosure date	39,884
Total number of preferred shareholders with restored voting rights as of the end of the reporting period (households)	0

Number of preferred shareholders with restored voting rights as of the end of the month preceding the disclosure date of the annual report (households)	0

(2) Shareholding Status of the Top Ten Shareholders and Top Ten Circulating Shareholders (or Shareholders with No Restrictions on Transfer) as of the End of the Reporting Period

Unit: Shares

Top Ten Shareholders' Holdings (Excluding Shares Lending via Securities Lending)							
Shareholder Name (Full Name)	Changes During the Reporting Period Increase/Decrease	Ending Shareholding (in shares)	Proportion (%)	Holding Restricted Selling of Shares Number of Shares Quantity	Pledged, Marked, or Freeze Status Share Condition Status	 Number Quantity	Shareholder Type
Hu Renchang	0	105,347,070	27.47	0	None	-	Domestic natural persons

Lu Xiaojian	0	66,112,799	17.24	0	None	-	Domestic natural persons
Xinchang County Zhongsheng Investment Co., Ltd. Co., Ltd.	0	24,529,000	6.40	0	None	-	Domestic Non-State-Owned Legal Entities Individuals
Hong Kong Central Clearing Limited Company	7,634,358	11,711,414	3.05	0	None	-	Other
Wu Dizeng	0	8,021,200	2.09	0	None	-	Domestic natural persons
Shen Anbin	0	7,673,400	2.00	0	None	-	Domestic Natural Person
National Social Security Fund 60 Portfolio 2	3,758,500	3,758,500	0.98	0	None	-	Other
Basic Pension Insurance Fund Portfolio 16052	346,887	3,687,000	0.96	0	None	-	Domestic Non-State-Owned Legal Entities Individual
Zhejiang Jiechang Holding Co., Ltd. Company	0	3,671,864	0.96	0	None	-	Other
Pan Boxin	0	3,308,480	0.86	0	None	-	Domestic Natural Persons

Top Ten Shareholders with Unrestricted Sale Conditions (Excluding Shares Lended Through Securities Lending)

Shareholder Name	Number of unrestricted tradable shares held Quantity	Share Type and Quantity	
		Type	Quantity
Hu Renchang	105,347,070	Class A Common Shares	105,347,070
Lu Xiaojian	66,112,799	Class A ordinary shares	66,112,799
Xinchang County Zhongsheng Investment Co., Ltd.	24,529,000	Common Shares of Renminbi	24,529,000
Hong Kong Securities Clearing Company Limited	11,711,414	Renminbi Ordinary Shares	11,711,414
Wu Dizeng	8,021,200	Class A ordinary shares	8,021,200
Shen Anbin	7,673,400	Class A ordinary shares	7,673,400
National Social Security Fund 602 Portfolio	3,758,500	RMB Ordinary Shares	3,758,500
Basic Pension Insurance Fund 16052 Portfolio	3,687,000	RMB Common Shares	3,687,000
Zhejiang Jiechang Holding Co., Ltd.	3,671,864	RMB Ordinary Shares	3,671,864
Pan Boxin	3,308,480	Class A ordinary shares	3,308,480
Repurchase Special Account Status Among Top Ten Shareholders Disclosure	Not applicable		

Explanation of Proxy Voting, Entrusted Voting, and Waiver of Voting Rights by the Above Shareholders or waiving voting rights	Not applicable
Explanation of Related Party Relationships or Concerted Actions Among the Above Shareholders	Xinchang County Zhongsheng Investment Co., Ltd. and Zhejiang Jiechang Holding Co., Ltd. are enterprises controlled by the Company's controlling shareholder and actual controller; it is unknown whether other shareholders have any related party relationships. .
Explanation of Preferred Shareholders with Restored Voting Rights and Number of Shares Held Number of shares held	Not applicable

Shareholding over 5%, Top Ten Shareholders, and Top Ten Unrestricted Circulating Shareholders Participating in Securities Lending Business

☐ Applicable √ Not applicable

Changes in the Top Ten Shareholders and Top Ten Unrestricted Circulating Shareholders Compared to the Previous Period Due to Securities Lending/Return

☐ Applicable √ Not applicable

Shareholding quantities and restrictions of the top ten shareholders with restricted shares

√ Applicable ☐ Not Applicable

Unit: Shares

Serial No.	Name of Shareholder Subject to Restrictions	Restricted Shares Held	Status of Restricted Shares Eligible for Listing and Trading	Restriction Conditions

		Number of Restricted Shares Held	Time of Listing	Newly Added Tradable Shares Number of Shares	
1	YU BIN	32,000	Stock Option Exercise Date	0	Stock Option Plan
2	Zhang Bo	25,000	Stock Option Exercise Date	0	Stock Option Plan
3	Pan Junquan	25,000	Stock Option Exercise Date	0	Stock Option Plan
4	Fang Hongqiang	25,000	Stock Option Exercise Date	0	Stock Option Plan
5	FENG MIAO	25,000	Stock Option Exercise Date	0	Stock Option Plan
6	Miao Jiangbo	20,000	Stock Option Exercise Date	0	Stock Option Plan
7	Zhong Chongyi	16,000	Stock Option Exercise Date	0	Stock Option Plan
8	Wang Yin	16,000	Stock Option Exercise Date	0	Stock Option Plan
9	Tony Wong Nang Ling	16,000	Stock Option Exercise Date	0	Stock Option Plan
10	Zhu Xiaobing	15,000	Stock Option Exercise Date	0	Stock Option Plan
Disclosure of Related Party Relationships or Concerted Action Agreements Explanation		No Affiliated Relationship Exists Among the Above Shareholders			

(3) Strategic Investors or General Legal Entities Becoming Top 10 Shareholders Through Subscription of New Shares

☐ Applicable √ Not Applicable

IV. Controlling Shareholders and Actual Controllers (1) Controlling Shareholders

1. Legal Entity

☐ Applicable √ Not Applicable

2. Natural Person

√ Applicable ☐ Not Applicable

Name	Hu Renchang
Nationality	China
Residency status in other countries or regions	No
Primary Occupation and Position	Director, Chairman of the Board

3. Special Statement Regarding the Absence of Controlling Shareholders

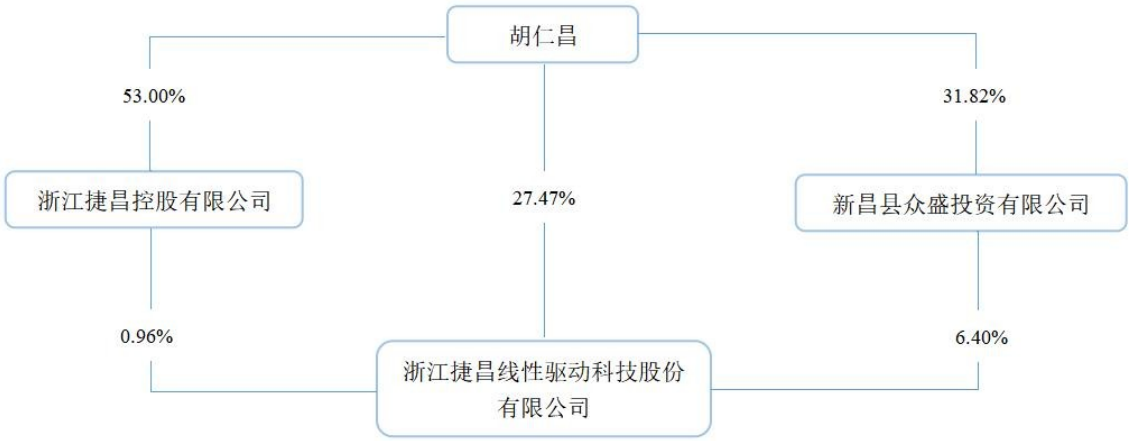
☐ Applicable √ Not applicable

4. Explanation of Changes in Controlling Shareholders During the Reporting Period

☐ Applicable √ Not applicable

5. Diagram of Property Rights and Control Relationships Between the Company and Its Controlling Shareholder

√ Applicable ☐ Not applicable



(II) Actual Controlling Party Information 1.

Legal Entity

☐ Applicable √ Not applicable

2. Natural Person

√ Applicable ☐ Not Applicable

Name	Hu Renchang
Nationality	China
Residency status in other countries or regions	No
Primary Occupation and Position	Director, Chairman of the Board
Listed companies (domestic and overseas) in which the individual held a controlling stake in the past 10 years	None

3. Special Statement Regarding the Absence of an Actual Controlling Person

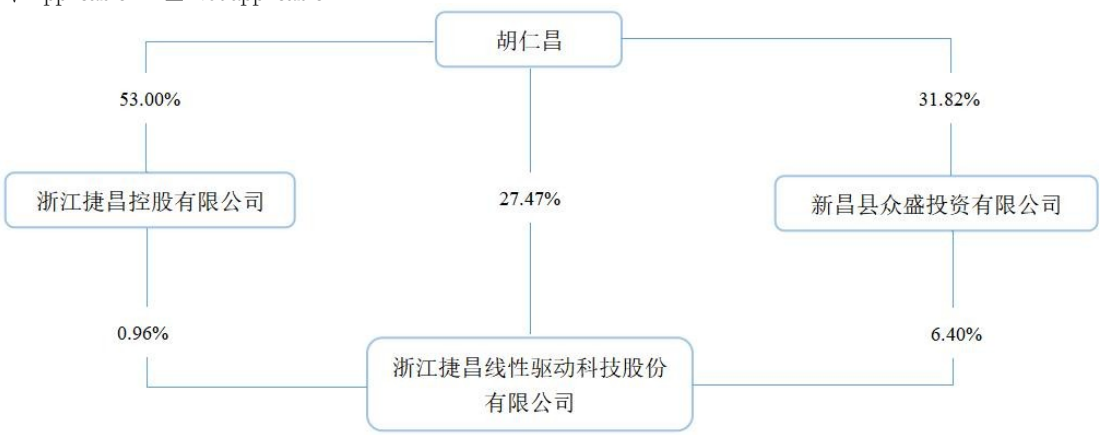
☐ Applicable √ Not applicable

4. Explanation of Changes in Company Control During the Reporting Period

☐ Applicable √ Applicable

5. Diagram of Property Rights and Control Relationships Between the Company and Its Actual Controlling Party

√ Applicable ☐ Not applicable



6. Whether the actual controller controls the company through trusts or other asset management methods

☐ Applicable √ Not applicable

(3) Additional Information on Controlling Shareholders and Actual Controlling Persons

☐Applicable √ Not applicable

V . Cumulative Pledge Ratio of Shares Held by Controlling Shareholder or Largest Shareholder and Their Concerted Parties Exceeding 80% of Total Shares Held

☐ Applicable √ Not applicable

VI. Other Legal Shareholders Holding 10% or More of the Shares

☐Applicable √ Not applicable

VII. Explanation of Share Reduction Restrictions

☐ Applicable √ Not applicable

VIII. Specific implementation of share repurchases during the reporting period

☐ Applicable √ Not Applicable

Section VIII Preferred Stock Information

☐ Applicable √ Not Applicable

Section IX Bond-Related Information

I. Corporate Bonds (including Enterprise Bonds) and Non-Financial Enterprise Debt Financing Instruments

☐ Applicable √ Not Applicable

II. Convertible Bonds

☐ Applicable √ Not Applicable

Section X Financial Reports

I. Audit Report

√ Applicable □ Not Applicable

To All Shareholders of Zhejiang Jiechang Linear Drive Technology Co., Ltd.: I. Audit Opinion

We have audited the financial statements of Zhejiang Jiechang Linear Drive Technology Co., Ltd. (hereinafter referred to as "Jiechang Drive"), comprising the consolidated and parent company balance sheets as of December 31, 2024, the consolidated and parent company income statements, consolidated and parent company cash flow statements, consolidated and parent company statements of changes in equity for the year ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared in all material respects in accordance with the Enterprise Accounting Standards and fairly present the consolidated and parent company financial position of Jiechang Drive as of December 31, 2024, and the consolidated and parent company results of operations and cash flows for the year then ended.

II. Basis for the Audit Opinion

We conducted our audit in accordance with Chinese Auditing Standards. Our responsibilities under these standards are further described in the section of the audit report titled "Responsibilities of the Auditor for the Audit of the Financial Statements." In accordance with the Chinese Code of Ethics for Certified Public Accountants, we are independent of Jiechang Drive and have fulfilled our other ethical responsibilities. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole and our formation of an audit opinion. We do not express a separate opinion on these matters.

The key audit matters identified during our audit are summarized as follows:

Key Audit Matters	How the Matter Was Addressed in the Audit
(1) Revenue Recognition	
Jiechang Drive primarily engages in the research, development, production, and sale of linear drive systems. Its revenue for the year ended December 31, 2024, amounted to RMB 3,652,016,300. Details regarding Jiechang Drive's disclosure of revenue recognition timing are provided in the notes to the consolidated financial statements. As revenue is one of Jiechang Drive's key performance indicators, inherent risks exist that management may improperly recognize revenue to achieve specific objectives or expectations. We therefore identified revenue recognition as a key audit matter for Jiechang Drive.	Our primary audit procedures regarding revenue recognition included: 1. Understanding Jiechang Drive's internal controls over sales and collections, and performing tests of controls over key revenue recognition points; 2. Performing analytical procedures on revenue and costs, including comparisons of current-period revenue, costs, and gross profit margins for major products against prior periods;3. Selected samples for the reporting period based on sampling principles. For domestic sales, examined sales orders, accounting records, and customer receipt records. For export sales, examined sales orders, accounting records, customs declarations, and bills of lading; 4. Queried Jiechang Drive's export data from customs authorities and reconciled it with recorded export revenue;5. Verify whether Jiechang Drive's revenue recognition aligns with disclosed accounting policies; 6. Perform cutoff testing on operating revenues to confirm that Jiechang Drive's revenue recognition is recorded in the correct accounting period; correct accounting period; 7. Select customer samples based on sampling principles,

	and confirm the accounts receivable balances and sales amounts for the reporting period.
(II) Inventory Existence	
As disclosed in the notes to the consolidated financial statements, as of December 31, 2024 Jiechang Drive's inventory balance was RMB 913.9481 million, accounting for 14.07% of Jiechang Drive's total assets. Jiechang Drive maintains substantial inventory balances and requires appropriate inventory levels to fulfill future order demands. Given the distribution of inventory across multiple domestic and overseas business segments, material misstatement risks exist regarding inventory existence. We have identified the existence of Jiechang Drive's inventory as a key audit matter.	Our primary audit procedures regarding inventory existence included: 1. Understanding Jiechang Drive's internal controls over inventory management, including procurement, warehousing, and sales, and performing tests of key controls over inventory management; 2. Understanding the locations where inventory is held to determine whether any inventory was excluded from the physical count due to warehouse changes;3. Conducted a physical inventory observation at the inventory count site, evaluated management's instructions and procedures for recording and controlling inventory count results, observed the execution of management's established inventory count procedures, inspected inventory, and performed a spot count.
(3) Goodwill Impairment	
Details and analysis of the accounting policy for goodwill impairment are provided in the notes to the consolidated financial statements. As of December 31, 2024, the carrying amount of goodwill in Jiechang Drive's consolidated financial statements was RMB 216.6385 million, representing 3.34% of Jiechang Drive's total assets. This goodwill arose from Jiechang Drive's acquisition of Logic Endeavor. The carrying amount of goodwill in Jiechang Drive's consolidated financial statements was RMB 216.6385 million as of December 31, 2024, representing 3.34% of Jiechang Drive's total assets. This goodwill arose from Jiechang Drive's acquisition of Logic Endeavor Group GmbH. Given the significance of goodwill to the consolidated financial statements and the involvement of significant management judgments and estimates in determining whether impairment should be recognized—particularly key assumptions made in forecasting future cash flows, including projected revenues, long-term average growth rates and profit margins, and determining appropriate discount rates—these key assumptions inherently involve uncertainty and may be subject to management bias. Therefore, we have assessed the impairment recognition of goodwill in the consolidated financial statements as a key audit matter.	For the impairment testing of goodwill, we performed the following key audit procedures: 1. Based on our understanding of Jiechang Drive's operations and the requirements of the Accounting Standards for Business Enterprises, we evaluated management's identification of individual assets and asset groups, as well as the allocation of goodwill and other assets to each asset group; 2. Utilizing the work of the asset appraiser engaged by Jiechang Drive, we evaluated the methods and assumptions used to estimate the present value of future cash flows in accordance with the requirements of the Accounting Standards for Business Enterprises; 3.Reviewed management's assumptions and key judgments in estimating the present value of future cash flows by comparing key parameters, including projected revenues, long-term average growth rates, and profit margins, with the historical performance of relevant subsidiaries, board-approved financial budgets, and industry research reports; 4. discount rate used in estimating the present value of future cash flows.

IV. Other Information

Jiechang Drive's management (hereinafter referred to as "Management") is responsible for the Other Information. The Other Information includes information covered in Jiechang Drive's the information contained in the 2024 Annual Report of Jiechang Drive, but excludes the financial statements and our audit report.

Our audit opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion on the other information.

In conjunction with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed, if we determine that the Other Information contains a material misstatement, we are required to report that fact. In this regard, we have no matter to report.

V. Management's and Governance's Responsibilities for the Financial Statements

Management is responsible for preparing the financial statements in accordance with the Enterprise Accounting Standards to achieve a fair presentation, and for designing, implementing, and maintaining internal controls necessary to prevent or detect material misstatements in the financial statements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Jiechang Drive's ability to continue as a going concern, disclosing matters related to going concern (if applicable) and using the going concern assumption unless liquidation, cessation of operations, or no other realistic alternative is planned.

The governance body is responsible for overseeing Jiechang Drive's financial reporting process. **VI. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes an audit opinion.Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. A misstatement may arise from fraud or error. A misstatement is generally considered material if, individually or in the aggregate, it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

In performing our audit in accordance with auditing standards, we exercised professional judgment and maintained professional skepticism. We also performed the following procedures:

(a) Identifying and assessing the risks of material misstatement in the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining sufficient appropriate audit evidence to provide a basis for the audit opinion. Since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls, the risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error.

(2) Understand internal control relevant to the audit to design appropriate audit procedures.

(3) Evaluate the appropriateness of management's selection of accounting policies and the reasonableness of accounting estimates and related disclosures.

(iv) Form a conclusion on the appropriateness of management's use of the going concern assumption. Concurrently, based on the audit evidence obtained, form a conclusion on whether there is material uncertainty regarding matters or conditions that may cast significant doubt on Jiechang Drive's ability to continue as a going concern. If we conclude that material uncertainty exists, auditing standards require us to draw the users' attention to the related disclosures in the financial statements in our audit report; if the disclosures are inadequate, we should issue a non-unqualified opinion.Our conclusions are based on information available as of the date of the audit report. However, future events or circumstances may cause Jiechang Drive to cease operations.

(5) Evaluate the overall presentation (including disclosures) structure, and content of the financial statements, and assess whether the financial statements fairly present the relevant transactions and events.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within Jiechang Drive to express an audit opinion on the consolidated financial statements. We are responsible for directing, supervising, and performing the group audit and bear overall responsibility for the audit opinion.

We communicated with governance regarding planned audit scope, timing, and significant audit findings, including communicating internal control deficiencies identified during the audit that we considered noteworthy.

We also provided a statement to management regarding compliance with ethical requirements relating to independence and communicated with management all relationships and other matters that might reasonably be thought to bear on our independence, and the related safeguards

(where applicable)

From the matters communicated with management, we determine which are most significant to the audit of the financial statements for the current period and thus constitute key audit matters. We describe these matters in our audit report unless laws and regulations prohibit their public disclosure or, in rare circumstances, we determine that communicating a matter in the audit report would cause more harm than benefit to the public interest.

Lixin Certified Public Accountants (Special General Partnership)

Shen Lingang, CPA (China) (Project Partner)

China CPA: Tao Shucheng

Shanghai, China

April 24, 2025

II. Financial Statements

Consolidated Balance Sheet

December 31, 2024

Prepared by: Zhejiang Jiechang Linear Drive Technology Co., Ltd.

Unit: Yuan Currency: Renminbi

Item	Notes	December 31, 2024	December 31, 2023
Current Assets:			
Cash and Cash Equivalents		2,005,180,541.81	2,117,273,442.95
Settlement Reserves			
Funds placed			
Trading financial assets		179,025,395.09	8,863,781.75
Derivative Financial Assets			
Notes receivable		9,937,817.24	34,602,005.72
Accounts receivable		605,238,898.78	452,665,769.06
Accounts Receivable Financing		1,651,152.56	19,095,661.03
Prepayments		13,023,188.19	13,181,714.94
Premiums receivable			
Reinsurance receivables			
Reinsurance Contract Reserves Receivable			
Other receivables		75,396,918.17	36,981,955.47
Of which: Interest receivable			
Dividends receivable			
Financial assets under resale agreements			
Inventories		892,336,416.30	740,332,938.84
Of which: Data resources			
Contract Assets		48,489,078.49	22,723,611.26
Assets Held for Sale			
Non-current assets due within one year			834,795,277.56
Other current assets		50,243,044.62	57,682,455.88
Total Current Assets		3,880,522,451.25	4,338,198,614.46
Non-current assets:			
Loans and Advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		4,083,428.78	
Other Equity Instruments Investments			
Other Non-Current Financial Assets		10,000,000.00	10,000,000.00
Investment property			
Fixed Assets		1,659,915,218.87	1,584,078,625.97
Construction in Progress		225,499,167.30	59,542,986.46
Productive biological assets			
Oil and gas assets			
Right-of-use assets		29,522,825.62	37,281,458.97
Intangible Assets		222,794,658.40	216,352,870.67
Including: Data resources			
Development Expenditures			

Of which: Data resources			
Goodwill			135,489,384.47
Deferred expenses		10,468,082.93	7,995,226.09
Deferred income tax assets		119,248,886.08	96,699,009.06
Other non-current assets		332,117,514.26	222,658,509.25
Total Non-Current Assets		2,613,649,782.24	2,370,098,070.94
Total Assets		6,494,172,233.49	6,708,296,685.40
Current Liabilities:			
Short-term borrowings		582,184,189.98	949,127,846.57
Borrowings from the Central Bank			
Funds received under repo agreements			
Financial liabilities held for trading			4,495,850.00
Derivative financial liabilities			
Notes payable		273,050,324.63	207,396,701.37
Accounts Payable		631,596,388.11	448,796,035.41
Advance receipts			
Contract liabilities		41,774,970.25	33,867,001.41
Financial assets under repurchase agreements			
Deposits and Interbank Placements			
Securities brokerage			
Securities underwriting agency			
Employee compensation payable		127,658,663.98	101,577,908.11
Taxes payable		60,959,623.45	58,610,755.52
Other Payables		43,127,488.19	52,113,096.33
Of which: Interest payable			
Dividends Payable		373,981.68	134,364.44
Fees and commissions payable			
Reinsurance payables			
Liabilities held for sale			
Non-current liabilities due within one year		182,419,261.65	381,650,045.08
Other current liabilities		10,197,332.18	16,643,296.50
Total current liabilities		1,952,968,242.42	2,254,278,536.30
Non-current liabilities:			
Insurance Contract Reserves			
Long-term borrowings		103,807,461.30	201,103,726.22
Bonds payable			
Of which: Preferred stock			
Perpetual Bonds			
Lease liabilities		22,895,614.33	32,251,092.16
Long-term payables			
Long-term employee compensation payable			
Provision for liabilities		27,368,186.39	26,687,996.45
Deferred Revenue		52,067,019.52	46,056,605.71

Deferred income tax liabilities		11,155,051.15	19,186,328.59
Other non-current liabilities			
Total non-current liabilities		217,293,332.69	325,285,749.13
Total Liabilities		2,170,261,575.11	2,579,564,285.43
Shareholders' Equity:			

Paid-in Capital (or Share Capital)		383,456,555.00	384,595,355.00
Other Equity Instruments			
Of which: Preferred Shares			
Perpetual bonds			
Capital surplus		2,268,536,499.90	2,288,330,698.53
Less: Treasury stock		19,333,607.40	36,088,915.40
Other Comprehensive Income		-46,668,100.77	-25,896,923.70
Special Reserve			
Retained Earnings		192,297,677.50	192,297,677.50
General Risk Reserve			
Retained Earnings		1,543,966,772.51	1,327,371,278.78
Equity attributable to owners of the parent (or Shareholders' Equity) Total		4,322,255,796.74	4,130,609,170.71
Minority interests		1,654,861.64	-1,876,770.74
Total shareholders' equity (or shareholders' equity)		4,323,910,658.38	4,128,732,399.97
Total Liabilities and Shareholders' Equity (or Shareholders' Equity) Total		6,448,172,233.78	6,708,296,685.40

Company Representative: Hu Renchang　　Person in Charge of Accounting: Fang Hongqiang　　Head of Accounting Department: Fang Hongqiang

Parent Company

Balance Sheet

December 31, 2024

Prepared by: Zhejiang Jiechang Linear Drive Technology Co., Ltd.

Unit: RMB　　Currency: Renminbi

Item	Notes	December 31, 2024	December 31, 2023
Current Assets:			
Cash and Cash Equivalents		1,095,605,959.07	1,364,180,723.24
Trading Financial Assets		170,724,649.79	
Derivative financial assets			
Notes receivable		207,288,570.63	191,632,380.72
Accounts receivable		858,056,581.90	796,684,862.94
Accounts Receivable Financing		1,393,091.39	18,495,661.03
Prepayments		8,760,257.75	8,938,091.97
Other receivables		274,013,898.65	395,332,330.58
Of which: Interest receivable			
Dividends receivable			
Inventories		305,790,173.51	209,524,072.86
Including: Data resources			
Contract Assets		48,489,078.49	22,723,611.26
Assets Held for Sale			
Non-current assets due within one year			834,795,277.56
Other current assets		20,108,164.38	40,441,205.48
Total current assets		2,990,230,425.56	3,882,748,217.64
Non-current assets:			
Debt investments			
Other Debt Investments			
Long-term receivables			

Long-term equity investments		1,930,340,479.06	1,183,378,511.52
Other Equity Instruments Investments			
Other Non-Current Financial Assets		10,000,000.00	10,000,000.00
Investment property			
Fixed Assets		716,607,094.36	621,756,398.42
Construction in Progress		53,528,797.04	19,477,565.44
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,132,190.58	2,264,381.16
Intangible Assets		104,686,566.34	70,071,456.01
Including: Data resources			
Development Expenditures			
Of which: Data resources			
Goodwill			
Deferred Expenses		4,614,129.63	2,050,631.47
Deferred income tax assets		14,357,226.33	11,042,515.39
Other non-current assets		223,590,635.29	211,415,333.49
Total Non-Current Assets		3,058,857,118.63	2,131,456,792.90
Total Assets		6,049,087,544.19	6,014,205,010.54
Current Liabilities:			
Short-term borrowings		198,785,780.98	701,099,408.31
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		518,705,153.00	290,560,397.90
Accounts Payable		676,471,576.21	252,016,222.70
Advance Receipts			
Contract liabilities		22,184,107.70	16,077,940.97
Employee compensation payable		73,047,007.06	53,771,524.93
Taxes payable		28,095,107.04	27,525,909.71
Other Payables		26,192,782.03	464,689,103.74
Of which: Interest payable			
Dividends Payable		373,981.68	134,364.44
Liabilities held for sale			
Non-current liabilities due within one year		101,255,477.55	2,608,903.61
Other current liabilities		7,639,084.47	12,589,794.58
Total current liabilities		1,652,376,076.04	1,820,939,206.45
Non-current liabilities:			
Long-term borrowings			100,000,000.00
Bonds payable			
Of which: Preferred stock			
Perpetual Bonds			
Lease liabilities			1,155,477.55
Long-term payables			
Long-term employee compensation payable			

Provision for liabilities			
Deferred income		39,487,452.11	31,250,639.12
Deferred income tax liabilities			
Other Non-Current Liabilities			

Total Non-current Liabilities		39,487,452.11	132,406,116.67
Total Liabilities		1,691,863,528.15	1,953,345,323.12
Shareholders' Equity:			
Paid-in Capital (or Share Capital)		383,456,555.00	384,595,355.00
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital surplus		2,271,159,569.16	2,286,776,077.16
Less: Treasury stock		19,333,607.40	36,088,915.40
Other Comprehensive Income			
Special reserves			
Retained Earnings		192,297,677.50	192,297,677.50
Retained Earnings		1,529,643,821.78	1,233,279,493.16
Total shareholders' equity (or shareholders' equity)		4,357,224,016.04	4,060,859,687.42
Total Liabilities and Shareholders' Equity) Total		6,049,087,544.19	6,014,205,010.54

Company Representative: Hu Renchang Person in Charge of Accounting: Fang Hongqiang Head of Accounting Department: Fang Hongqiang

Consolidated

Income Statement

January–December

2024

Unit: RMB Currency: Renminbi

Item	Notes	2024	2023
I. Total Operating Revenue		3,652,016,316.77	3,033,991,040.54
Of which: Operating Revenue		3,652,016,316.77	3,033,991,040.54
Interest Income			
Premiums earned			
Fees and commissions			
II. Total Operating Expenses		3,245,112,470.96	2,772,794,033.75
Of which: Operating Costs		2,572,113,068.15	2,149,295,161.37
Interest expense			
Fees and commissions paid			
Surrender Value			
Net claims paid			
Net Provision for Insurance Liabilities			
Policy dividends paid			
Reinsurance Expenses			
Taxes and Surcharges		25,863,851.19	19,340,716.26
Sales Expenses		183,496,764.80	173,397,488.30
Administrative Expenses		246,840,059.76	222,735,335.17
Research and Development Expenses		232,323,168.61	208,188,646.15
Financial expenses		-15,524,441.55	-163,313.50
Of which: Interest expense		30,518,631.38	47,157,778.73
Interest Income		37,079,162.80	59,750,682.67
Plus: Other Income		65,235,653.43	53,635,435.27
Investment Income (Losses indicated with "-")		20,157,013.80	8,841,877.09

Of which: Investment income (losses to be entered with a "-" sign) -216,571.22		-216,571.22	
Financial assets measured at amortized cost Gain on derecognition of assets			
Foreign exchange gains (losses) (enter with a "-" sign) (Column)			
Net Hedging Gain (Loss Entered with "-")			
Fair value change gains (losses entered with a "-" sign) "—"		238,510.74	5,312,094.08
Credit impairment loss (losses to be entered with a "-" sign))		-9,377,990.87	-2,628,660.04
Asset impairment loss (losses indicated with a "-" sign))		-143,847,743.51	-104,985,476.61
Gain on disposal of assets (losses indicated with a "-" sign))		-6,517,987.23	-1,295,401.67
III. Operating Profit (Losses indicated with "-")		332,791,302.17	220,076,874.91
Plus: Non-operating Income		1,690,721.70	2,445,279.84
Less: Non-operating Expenses		1,889,731.41	3,229,347.23
IV. Total Profit (Total Loss to be indicated with a "-" sign))		332,592,292.46	219,292,807.52
Less: Income tax expense		51,261,875.65	14,821,077.91
V. Net Profit (Net Loss to be entered with a "-" sign)		281,330,416.81	204,471,729.61
(1) By Going Concern Basis			
1. Net profit from continuing operations (net loss to be entered with a "-" sign) with a "-" sign)		281,330,416.81	204,471,729.61
2. Net profit from discontinued operations (net loss to be entered with a "-" sign) "—" for net loss)			
(2) By Ownership Classification			
1. Net profit attributable to shareholders of the parent company (Net loss to be entered with a "-" sign)		281,976,704.08	205,962,500.74
2. Minority Interest in Net Income (Loss) (net loss to be entered with a "-" sign))		-646,287.27	-1,490,771.13

VI. Net comprehensive income after tax		-20,770,948.05	35,042,658.01
(1)Net comprehensive income attributable to owners of the parent company attributable to owners of the parent		-20,771,177.07	35,042,658.01
1. Other comprehensive income not reclassifiable to profit or loss -			
(1) Remeasurement of changes in defined benefit plans			
(2) Other amounts not recognized in profit or loss under the equity method			
(2) Other comprehensive income not available for reclassification to profit or loss under the equity method			
(3) Fair value changes on other equity instruments			
(3) Fair value changes in investments in other equity instruments Changes			
(4) Fair value changes of the enterprise's own credit risk Changes			
2. Reclassification of Other Comprehensive Income into Profit or Loss -20,771,177.07		-20,771,177.07	35,042,658.01
(1) Other comprehensive income attributable to equity method investees			
(2) Fair value changes on other debt investments			
(2) Fair value changes on other debt investments			
(3) Amounts reclassified from financial assets to other comprehensive income			
(4) Credit impairment allowance for other debt investments			
(4) Credit impairment allowance for other debt investments			
(5) Cash flow hedge reserve			
(6) Foreign currency translation differences		-20,771,177.07	35,042,658.01
(7) Other			
(II)Other Comprehensive Income Attributable to Minority Interests Net after tax		229.02	
VII. Total Comprehensive Income		260,559,468.76	239,514,387.62
(a)Comprehensive income attributable to owners of the parent Total Comprehensive Income		261,205,527.01	241,005,158.75
(b)Comprehensive income attributable to minority interests Total		-646,058.25	-1,490,771.13

VIII. Earnings Per Share:			
(1) Basic Earnings Per Share (RMB/share)		0.74	0.54
(b) Diluted earnings per share (RMB/share)		0.74	0.54

For business combinations under common control occurring during the current period, the net profit realized by the acquired entity prior to the merger was: ¥0.00; the net profit realized by the acquired entity in the previous period was: ¥0.00.

Company Representative: Hu Renchang Person in Charge of Accounting: Fang Hongqiang Head of Accounting Department: Fang Hongqiang

Parent Company

Income Statement

January–December

2024

Unit: RMB Currency: Renminbi

Item	Notes	2024	2023 Annual
I. Operating Revenue		2,695,372,795.58	2,077,318,118.18
Less: Cost of Sales		2,075,282,577.29	1,569,729,467.52
Taxes and Surcharges		13,669,582.19	12,546,111.87
Selling Expenses		61,859,053.05	56,491,450.74
Administrative Expenses		91,152,054.37	70,708,305.83
Research and Development Expenses		119,069,448.96	92,679,572.79
Financial expenses		-18,012,166.28	-29,787,705.31
Of which: Interest Expense			
Interest Income			
Plus: Other Income		47,054,798.49	33,595,423.09
Investment gains (losses indicated with a "-" sign))		20,245,387.86	29,732,866.08
Of which: Investment income (losses to be entered with a "-" sign) from Investments in Associates and Joint Ventures		-216,571.22	
Financial assets measured at amortized cost Gain on derecognition of assets			
Net hedging gains (losses) on net exposure)			
Gains (losses) on fair value changes (losses indicated with "-" "–")		726,649.79	
Credit impairment loss (losses indicated with "-")		-7,495,505.56	-610,643.65

Asset Impairment Loss (Losses to be entered with a "-" sign)		8,060,404.02	-1,167,742.43
Gain on asset disposal (losses indicated with a "-" sign)		368,647.02	979,737.69
II. Operating Profit (Losses indicated with "-")		405,191,819.58	367,480,555.52
Plus: Non-operating Income		557,589.53	497,403.20
Less: Non-operating Expenses		613,757.48	258,789.47
III. Total Profit (Total Loss to be indicated with a "-" sign)		405,135,651.63	367,719,169.25
Less: Income tax expense		43,390,112.66	52,815,402.67
IV. Net Profit (Net Loss to be entered with a "-" sign)		361,745,538.97	314,903,766.58
(1) Net profit from continuing operations (net loss to be entered with a "-" sign) with a "-" sign)		361,745,538.97	314,903,766.58
(2) Net profit from discontinued operations (net loss to be "—" for net loss)			
V. Net comprehensive income, net of tax			
(1) Other comprehensive income not reclassified to profit or loss (1) Other comprehensive income not reclassifiable to profit or loss			
1. Remeasurement of changes in defined benefit plans 2. Other comprehensive income not reclassifiable to profit or loss under the equity method			
2. Other comprehensive income not reclassifiable to profit or loss under the equity method 3. Fair value changes on other equity instruments			
3. Fair value changes on investments in other equity instruments Changes			
4. Fair value changes attributable to the entity's own credit risk Changes			
(2) Other Comprehensive Income Reclassified to Profit or Loss 1. Other comprehensive income attributable to non-controlling interests under the equity method			
1. Fair value changes of other comprehensive income available for reclassification to profit or loss under the equity method			
1. Fair value changes on other comprehensive income available for reclassification to profit or loss under the equity method			
2. Fair value changes on other debt investments			
3. Amounts of reclassified financial assets included in other comprehensive			
4. Credit impairment allowance for other			

Corporate Representative: Hu Renchang Person in Charge of Accounting: Fang Hongqiang Head of Accounting Department: Fang Hongqiang

Consolidated Cash Flow Statement
January–December 2024

Unit: CNY Currency: Renminbi

Item	Notes	2024	2023

I. Cash Flows from Operating Activities:			
Cash received from sales of goods and services 3,596,826,869.81		3,596,826,869.81	3,039,785,340.39
Net increase in customer deposits and interbank placements Increase			
Net increase in borrowings from the central bank			
Net increase in funds borrowed from other financial institutions Increase			
Premiums received from original insurance contracts Cash			
Net cash received from reinsurance operations			
Net increase in policyholder deposits and investment funds			
Cash received from interest, fees, and commissions Cash			
Net increase in borrowed funds			
Net increase in repurchase agreement funds			
Net cash received from agency securities trading Tax and fee refunds received			
Tax and fee refunds received		130,048,198.33	143,570,701.77
Other cash received related to operating activities Cash		112,854,280.65	139,415,580.43
Subtotal of cash inflows from operating activities		3,839,729,348.79	3,322,771,622.59
Cash paid for purchases of goods and services Cash		2,113,785,756.78	1,626,169,998.32
Net increase in loans and advances to customers			
Net increase in deposits with the central bank and interbank funds Increase			
Payments for claims under original insurance contracts Cash			
Net increase in funds placed			
Cash payments for interest, fees, and commissions Cash			
Cash paid for policy dividends			

Cash paid to employees and on behalf of employees Cash		816,806,121.38	654,995,273.87
Taxes and fees paid		177,369,359.24	129,768,937.08
Other payments related to operating activities Cash		222,879,872.87	236,377,103.92
Subtotal of cash outflows from operating activities		3,330,841,110.27	2,647,311,313.19
Net Cash Flow from Operating Activities Net Amount		508,888,238.52	675,460,309.40
II. Cash Flows from Investing Activities:			
Cash received from recovery of investments		1,179,217,010.09	70,000,000.00
Cash received from investment income		83,326,953.68	3,712,500.09
Disposal of fixed assets, intangible assets, and their other long-term assets		14,506,429.62	11,203,733.85
Net cash received from disposal of subsidiaries and other business units Net cash received from disposal of subsidiaries and other operating units			
Other cash received related to investing activities			770,000,000.00

Cash			
Subtotal of Cash Flows from Investing Activities		1,277,050,393.39	854,916,233.94
Cash paid for acquisition of property, plant, and equipment, intangible assets, and related Other Long-Term Assets		548,839,151.83	269,807,350.10
Cash paid for investments		612,329,347.25	270,890,988.99
Net increase in pledged loans			
Cash paid for acquisition of subsidiaries and other business units Net cash paid			
Other payments related to investing activities Cash			
Subtotal of cash outflows from investing activities		1,161,168,499.08	540,698,339.09
Net cash flow from investing activities Net Amount		115,881,894.31	314,217,894.85
III. Cash Flows from Financing Activities:			
Cash received from investment activities			6,709,500.19
Of which: Cash received from minority shareholders' investment in subsidiaries from minority shareholders			1,000,000.00
Cash received from borrowings		897,248,718.93	1,087,650,477.65
Other cash received related to financing activities Cash received from other financing activities			
Subtotal of cash inflows from financing activities		897,248,718.93	1,094,359,977.84
Cash paid to repay debt		1,553,833,889.24	1,516,954,288.07
Cash paid for dividends, profits, or interest payments Cash paid for dividends, profits, or interest payments		93,890,709.14	141,163,703.61
Of which: Dividends or profits paid by subsidiaries to minority shareholders Dividends and profits			
Other payments related to financing activities Cash		29,754,827.92	11,413,233.08
Subtotal of cash outflows from financing activities		1,677,479,426.30	1,669,531,224.76
Net Cash Flows from Financing Activities Net Amount		-780,230,707.37	-575,171,246.92
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		-17,468,595.43	12,499,466.20
Tax refunds received		17,194,470.80	11,779,525.12
Other operating-related receipts		86,598,805.88	96,799,413.85
V. Net Increase in Cash and Cash Equivalents		-172,929,169.97	427,006,423.53
Add: Cash and cash equivalents at beginning of period Balance		2,066,607,036.69	1,639,600,613.16
VI. Cash and Cash Equivalents at End of Period		1,893,677,866.72	2,066,607,036.69

Company Representative: Hu Renchang Person in Charge of Accounting: Fang Hongqiang Head of Accounting Department: Fang Hongqiang

Parent Company Cash Flow Statement January–December 2024

Unit: RMB Currency: Renminbi

Item	Notes	2024	2023
I. Cash Flows from Operating Activities:			
Cash received from sales of goods and services		2,485,644,611.05	2,272,523,929.01
Net Amount			
2,485,644,611.05			
Tax refunds received		17,194,470.80	11,779,525.12
Other operating-related receipts		86,598,805.88	96,799,413.85
V. Net Increase in Cash and Cash Equivalents		-172,929,169.97	427,006,423.53
Equivalents			
Add: Cash and cash equivalents at beginning of period Balance		2,066,607,036.69	1,639,600,613.16
VI. Cash and Cash Equivalents at End of Period		1,893,677,866.72	2,066,607,036.69

Cash			
Subtotal of cash inflows from operating activities		2,589,437,887.73	2,381,102,867.98
Cash paid for purchases of goods and services Cash		1,531,179,610.45	1,568,108,289.79
Payments to employees and payments made on behalf of employees Cash		314,975,258.03	228,482,010.61
Taxes and fees paid		81,486,624.75	78,812,060.44
Other payments related to operating activities Cash		92,849,842.92	98,806,540.87
Subtotal of cash outflows from operating activities		2,020,491,336.15	1,974,208,901.71
Net Cash Flow from Operating Activities Net Cash Flow from Operating Activities		568,946,551.58	406,893,966.27
II. Cash Flows from Investing Activities:			
Cash received from recovery of investments		1,105,990,447.25	70,000,000.00
Cash received from investment income		83,230,277.74	3,712,500.09
Disposal of fixed assets, intangible assets, and their other long-term assets		2,703,479.75	3,436,785.86
Net cash received from disposal of subsidiaries and other business units Net cash received from disposal of subsidiaries and other operating units			
Other cash received related to investing activities Cash received		377,069,422.68	791,198,966.15
Subtotal of cash inflows from investing activities		1,568,993,627.42	868,348,252.10
Cash paid for acquisition of property, plant, and equipment, intangible assets, and related long-term assets Other Long-Term Assets		258,516,491.52	140,863,459.42
Cash paid for investments		1,237,526,986.01	451,346,203.39
Acquisition of subsidiaries and other business units Net cash used in investing activities			
Other payments related to investing activities Cash		259,149,139.67	86,993,845.12
Subtotal of cash outflows from investing activities		1,755,192,617.20	679,203,507.93
Net Cash Flow from Investing Activities Net Amount		-186,198,989.78	189,144,744.17

III. Cash Flows from Financing Activities:			
Cash received from investment activities			5,709,500.19
Cash received from borrowings		355,237,972.22	862,094,281.66
Other cash received related to financing activities Cash		1,741,900.51	76,061,952.76
Subtotal of cash inflows from financing activities		356,979,872.73	943,865,734.61
Cash paid for debt repayment		533,000,000.00	841,500,000.00
Cash paid for dividends, profits, or interest payments Cash paid for dividends, profits, or interest payments		77,595,295.25	122,537,461.52
Other cash flows related to financing activities Cash		444,100,180.65	197,033,242.37
Subtotal of cash outflows from financing activities		1,054,695,475.90	1,161,070,703.89
Net Cash Flow from Financing Activities Net Amount		-697,715,603.17	-217,204,969.28
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents			
V. Net Increase in Cash and Cash Equivalents		-314,968,041.37	378,833,741.16

Add: Beginning cash and cash equivalents balance		1,349,541,015.44	970,707,274.28
VI. Cash and Cash Equivalents at End of Period		1,034,572,974.07	1,349,541,015.44

Amount

Company Representative: Hu Benchang Person in Charge of Accounting: Fang Hongqiang Head of Accounting Department: Fang Hongqiang

Consolidated Statement of Changes in Equity January–December 2024

Unit: RMB Currency: Renminbi

Item	2024													
	Equity Attributable to Owners of the Parent Company												Minority Interests	Total Shareholders' Equity
	Paid-in Capital (or Share Capital)	Other equity items			Capital Surplus	Less: Treasury stock	Other Comprehensive Income	Special reserve	Retained Earnings	General Risk Reserve	Retained Earnings	Other	Subtotal	
		Other equity instruments												
		Preferred Stock	Perpetual Bonds	Other										
I. Balance at End of Previous Year	384,595,355.00				2,288,330,698.53	36,088,915.40	-25,896,923.70		192,297,677.50		1,327,371,278.78		4,130,609,170.71	-1,876,770.74	4,128,732,399.97
Add: Changes in Accounting Policies															
Prior Period Adjustments Corrective															
Other															
II. Opening Balance for Current Year	384,595,355.00				2,288,330,698.53	36,088,915.40	-25,896,923.70		192,297,677.50		1,327,371,278.78		4,130,609,170.71	-1,876,770.74	4,128,732,399.97
III. Changes in Amounts for the Current Period (Decreases are indicated with a "–" sign) "–" for decreases)	-1,138,800.00				-19,794,198.63	-16,755,308.00	-20,771,177.07				216,595,493.73		191,646,626.03	3,531,632.38	195,178,258.41
(I) Total Comprehensive Income Amount							-20,771,177.07				281,976,704.08		261,205,527.01	-646,058.25	260,559,468.76
(II) Capital Contributions and Capital Reductions	-1,138,800.00				-15,616,508.00	-16,755,308.00									
1. Common stock issued to owners Common stock															

4. Other	-1,138,800.00				-15,616,508.00	-16,755,308.00									
(3) Profit Distribution											-65,381,210.35		-65,381,210.35		-65,381,210.35
1. Appropriation to Retained Earnings															
2. General Risk Reserve															
3. Allocation to owners (or shareholders)															
3. Distribution to Owners (or Shareholders)											-65,381,210.35		-65,381,210.35		-65,381,210.35
distribution to owners (or shareholders)															
4. Other															
(IV) Owner's Equity Internal Transfer															
1. Capital Surplus to Paid-in Capital															
Capital (or Share Capital)															
2. Capitalization of Retained Earnings															
Capital (or Share Capital)															
3. Use of retained earnings to offset losses															
Losses															
4. Transfer of beneficiary plan															
Retained earnings															
5. Other comprehensive income															
to retained earnings															
6. Other															
(V) Special Reserves															

1. Current Period Allocation															
2. Current Period Utilization															
(VI) Other					-4,177,690.63								-4,177,690.63	4,177,690.63	
IV. Balance at End of Current Period	383,456,555.00				2,268,536,499.90	19,333,607.40	-46,668,100.77		192,297,677.50		1,543,966,772.51		4,322,255,796.74	1,654,861.64	4,323,910,658.38

Project	2023 Annual														
	Equity Attributable to Owners of the Parent Company													Minority Interests	Equity
	Paid-in Capital (or Share Capital)	Other Equity Items			Capital Surplus	Less: Treasury stock	Other Comprehensive Income	Special reserve	Retained Earnings	General Risk Reserve	Retained Earnings	Other	Subtotal	Equity	Total
		Preferred Shares	Perpetual Debt	Other											
I. Year-End Balance Balance	384,226,985.00				2,288,014,052.02	51,569,889.27	-60,939,581.71		161,556,882.78		1,252,154,167.06		3,973,442,615.88	-1,387,304.51	3,972,055,311.37
Add: Accounting policies Changes															
Prior Period Errors Errors Corrected															

Other															
II. Beginning of Current Period Balance	384,226,985.00				2,288,014,052.02	51,569,889.27	-60,939,581.71		161,556,882.78		1,252,154,167.06		3,973,442,615.88	-1,387,304.51	3,972,055,311.37
III. Current Period Increase/Decrease Amount (Decreases with "-")	368,370.00				316,646.51	-15,480,973.87	35,042,658.01		30,740,794.72		75,217,111.72		157,166,554.83	-489,466.23	156,677,088.60
(I) Total Revenue Total							35,042,658.01				205,962,500.74		241,005,158.75	-1,489,466.23	239,515,692.52
(2) Owners' Contributions and Reductions in Capital Capital	368,370.00				316,646.51	-15,480,973.87							16,165,990.38	1,000,000.00	17,165,990.38
1. Capital contributed by owners Common Stock	475,000.00					5,709,500.19							-5,234,500.19	1,000,000.00	-4,234,500.19
2. Contributions from holders of other equity instruments Capital															
3. Share-based payment expenses recognized in equity Amount					316,646.51	-19,698,326.20							20,014,972.71		20,014,972.71
4. Other	-106,630.00					-1,492,147.86							1,385,517.86		1,385,517.86
(3) Profit Distribution Distribution									30,740,794.72		-130,745,389.02		-100,004,594.30		-100,004,594.30
1. Surplus Reserve from retained earnings									30,740,794.72		-30,740,794.72				

2.General risk reserve extraction															
3. Allocation to owner's equity															
3. Dividends to Owners (or shareholders)											-100,004,594.30		-100,004,594.30		-100,004,594.30
Distribution to Owners															
4. Other															
(IV) Retained Earnings															
Equity Internal Transfer															
1.Capital Surplus to Capital (or Share)															
)															
2.Transfer of retained earnings to capital (or share capital)															
)															
3.Use retained earnings to															
to offset losses															
4.Transfer of changes in defined benefit plans to															
Retained earnings															
5.Transfer of Other Comprehensive Income to Retained Earnings															
Retained earnings															
6. Other															
(5) Special Reserve															
Reserves															

1. Current Period Provision															
2. Current Period Usage															
(VI) Other															
IV. End of Current Period Balance	384,595,355.00				2,288,330,698.53	36,088,915.40	-25,896,923.70		192,297,677.50		1,327,371,278.78		4,130,609,170.71	-1,876,770.74	4,128,732,399.97

Company Representative: Hu Renchang　　Chief Accounting Officer: Fang Hongqiang　　Head of Accounting Department: Fang Hongqiang

Statement of Changes in Equity of Parent Company

January–December 2024

Unit: RMB　Currency: Renminbi

Item	2024										
	Paid-in Capital (or Share Capital)	Other Equity Instruments			Capital Surplus	Less: Treasury shares	Other Comprehensive Income	Special reserves	Retained earnings	Retained Earnings	Total Shareholders' Equity
		Preferred Shares	Perpetual Debt	Other							
I. Balance at End of Previous Year	384,595,355.00				2,286,776,077.16	36,088,915.40			192,297,677.50	1,233,279,493.16	4,060,859,687.42
Add: Changes in Accounting Policies											
Correction of prior period errors											
Other											
II. Opening Balance for Current Year	384,595,355.00				2,286,776,077.16	36,088,915.40			192,297,677.50	1,233,279,493.16	4,060,859,687.42
III. Net Increase/Decrease for the Period (Decreases indicated by "-")	-1,138,800.00				-15,616,508.00	-16,755,308.00				296,364,328.62	296,364,328.62
(I) Total Comprehensive Income										361,745,538.97	361,745,538.97
(2) Capital Contributions and Reductions by Owners	-1,138,800.00				-15,616,508.00	-16,755,308.00					
1. Common stock contributed by owners											
2. Capital contributed by holders of other equity instruments											
3. Amounts recognized in equity for share-based payments											

(IV) Internal Transfer of Owner's Equity											
1. Capital Surplus Converted to Capital (or Share Capital)											
2. Capitalization of retained earnings (or share capital)											
3. Use of retained earnings to offset losses											
4. Transfer of Changes in Defined Benefit Plans to Retained Earnings 5. Transfer of Other Comprehensive Income to Retained Earnings											
5. Transfer of other comprehensive income to retained earnings											
6. Other											
(V) Special Reserves											
1. Current Period Allocation											
2. Current Period Utilization											
(VI) Other											
IV. Current Period Closing Balance	383,456,555.00				2,271,159,569.16	19,333,607.40			192,297,677.50	1,529,643,821.78	4,357,224,016.04

Project	2023										
	Paid-in Capital (or Share Capital)	Other Equity Instruments			Capital Surplus	Less: Treasury shares	Other Comprehensive Income	Special reserves	Retained earnings	Retained Earnings	Total Shareholders' Equity
		Preferred stock	Perpetual debt	Other							
I. Balance at End of Previous Year	384,226,985.00				2,286,462,834.80	51,569,889.27			161,556,882.78	1,049,121,115.60	3,829,797,928.91
Add: Accounting policy change											
Correction of prior period errors											
Other											
II. Opening Balance for the Current Year	384,226,985.00				2,286,462,834.80	51,569,889.27			161,556,882.78	1,049,121,115.60	3,829,797,928.91
III. Changes in Amounts for the Current Period (Decreases indicated by "—") "_ ▾▾	368,370.00				313,242.36	-15,480,973.87			30,740,794.72	184,158,377.56	231,061,758.51
(1) Total Comprehensive Income										314,903,766.58	314,903,766.58

(2) Capital Contributions and Reductions by Owners	368,370.00				313,242.36	-15,480,973.87					16,162,586.23
1. Common stock contributed by owners	475,000.00				5,234,500.19	5,709,500.19					
2. Contributions from holders of other equity instruments											
Company											

3. Share-based payments recognized in equity Amount					-3,535,739.97	-19,698,326.20					16,162,586.23
4. Other	-106,630.00				-1,385,517.86	-1,492,147.86					
(III) Profit Distribution									30,740,794.72	-130,745,389.02	-100,004,594.30
1. Appropriation to Retained Earnings									30,740,794.72	-30,740,794.72	
2. Distribution to Owners (or Shareholders)										-100,004,594.30	-100,004,594.30
3. Other											
(IV) Internal Transfer of Owner's Equity											
1. Capital Surplus Converted to Capital (or Share Capital)											
2. Capitalization of retained earnings (or share capital)											
3. Use of retained earnings to offset losses											
4. Transfer of Changes in Defined Benefit Plans to Retained Earnings Retained earnings											
5. Transfer of other comprehensive income to retained earnings											
6. Other											
(V) Special Reserves											
1. Current Period Accrual											
2. Current Period Utilization											
(VI) Other											
IV. Current Period Closing Balance	384,595,355.00				2,286,776,077.16	36,088,915.40			192,297,677.50	1,233,279,493.16	4,060,859,687.42

Company Representative: Hu Renchang Person in Charge of Accounting: Fang Hongqiang Head of Accounting Department: Fang Hongqiang

III. Basic Company Information 1. Company Overview

√ Applicable ☐ Not Applicable

Zhejiang Jiechang Linear Drive Technology Co., Ltd. (hereinafter referred to as the "Company" or "we") is a joint-stock company established through the overall restructuring of Zhejiang Jiechang Linear Drive Technology Co., Ltd. Zhejiang Jiechang Linear Drive Technology Co., Ltd. was originally a limited liability company jointly funded by natural persons Hu Renchang and Lu Xiaojian, with a unified social credit code of 913306005547614262. In August 2014, the Company was listed on the National Equities Exchange and Quotations (NEEQ), classified under the Electrical Machinery and Equipment Manufacturing sector.

In March 2018, the Company was delisted from the National Equities Exchange and Quotations. In September 2018, the Company was listed on the Shanghai Stock Exchange, classified under the manufacturing industry.

As of December 31, 2024, the Company has issued a cumulative total of 383,456,555 shares, with a registered capital of RMB 383,456,555.00. Its registered location is Shaoxing City, Zhejiang Province, and its headquarters address is Provincial High-Tech Industrial Park, Xinchang County, Zhejiang Province.The Company's principal business activities include the production, sales, and R&D of linear drive systems and equipment, medical device components, and functional furniture and parts. The Company's actual controller is Mr. Hu Renchang, a natural person.

These financial statements were approved for issuance by the Company's Board of Directors on April 24, 2025.

IV. Basis of Preparation of Financial Statements 1. Basis of Preparation

The Company's financial statements are prepared on a going concern basis.

These financial statements have been prepared in accordance with the "Basic Accounting Standards for Enterprises" and various specific accounting standards, application guidelines for enterprise accounting standards, interpretations of enterprise accounting standards, and other relevant regulations (hereinafter collectively referred to as the "Enterprise Accounting Standards") promulgated by the Ministry of Finance, as well as the relevant provisions of the "Rules for the Preparation and Disclosure of Information by Companies Issuing Securities to the Public No. 15—General Provisions on Financial Reports" issued by the China Securities Regulatory Commission.

2. Going Concern

√ Applicable ☐ Not applicable

These financial statements have been prepared on a going concern basis.

The Company has demonstrated the ability to continue as a going concern for at least 12 months from the end of the reporting period, with no significant matters affecting its ability to continue as a going concern.

V. Significant Accounting Policies and Estimates Specific Accounting Policies and Estimates:

√ Applicable ☐Not Applicable

The disclosures below encompass the specific accounting policies and estimates established by the Company based on its actual production and operational characteristics. For details, refer to the following notes: "V.11 Financial Instruments," "V.21 Property, Plant, and Equipment," and "V.34 Revenue."

1. Statement of Compliance with Accounting Standards

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance and present fairly and completely the consolidated and parent company

financial position as of December 31, 2024, and the consolidated and parent company operating results and cash flows for the year ended December 31, 2024.

and the consolidated and parent company operating results and cash flows for the year ended December 31, 2024.

2. Accounting Period

The Company's fiscal year runs from January 1 to December 31 of the Gregorian calendar.

3. Business Cycle

√ Applicable ☐ Not applicable

The Company's operating cycle is 12 months.

4. Functional Currency

The functional currency of the Company is Renminbi.

5. Methodology and Basis for Determining Materiality Thresholds

√ Applicable ☐Not applicable

Item	Materiality Threshold
Individual items for which significant individual bad debt provisions are made: Notes receivable, accounts receivable, other receivables, contract assets	RMB 10 million
Contract assets with significant changes in carrying amount during the reporting period	RMB 10 million
Significant individual accounts receivable for which bad debt provisions are made	RMB 10 million
Significant construction-in-progress projects	RMB 10 million
Significant accounts payable aged over one year or past due at the end of the period	RMB 10 million

6. Accounting treatment for business combinations under common control and non-common control

√ Applicable ☐ Not applicable

Business combinations under common control: Assets and liabilities acquired by the combining entity in the business combination (including goodwill arising from the ultimate controlling party's acquisition of the combined entity) are measured based on the carrying amounts of the combined entity's assets and liabilities in the ultimate controlling party's consolidated financial statements as of the date of the business combination.The difference between the carrying amount of net assets acquired in the merger and the carrying amount of merger consideration paid (or the aggregate par value of shares issued) shall adjust the share premium in capital surplus. If the share premium in capital surplus is insufficient to cover the difference, retained earnings shall be adjusted.

Non-controlling interest business combinations: The cost of the merger is the fair value of the assets contributed, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control of the acquiree on the acquisition date.The excess of the cost of the merger over the fair value share of the acquiree's identifiable net assets acquired in the merger is recognized as goodwill. The deficit of the cost of the merger over the fair value share of the acquiree's identifiable net assets acquired in the merger is recognized in profit or loss for the period. Identifiable assets, liabilities, and contingent liabilities of the acquiree acquired in the merger that meet the recognition criteria are measured at fair value on the acquisition date.

Direct costs incurred in connection with a business combination are recognized in profit or loss in the period incurred. Transaction costs incurred in issuing equity securities or debt securities for the business combination are included in the initial recognition amount of the equity securities or debt securities.

7. Criteria for Determining Control and Methodology for Preparing Consolidated Financial Statements

√ Applicable ☐ Not Applicable

1. Criteria for Determining Control

The scope of consolidation for consolidated financial statements is determined based on control, encompassing the parent company and all subsidiaries. Control refers to the power exercised over an investee to obtain variable returns through participation in the investee's activities, coupled with the ability to use that power to affect the amount of those returns.

2. Consolidation Procedures

The Company treats the entire enterprise group as a single accounting entity and prepares consolidated financial statements in accordance with uniform accounting policies to reflect the overall financial position, operating results, and cash flows of the enterprise group.The effects of internal transactions between the Company and its subsidiaries, and among subsidiaries, are eliminated. Where internal transactions indicate impairment losses on related assets, such losses are recognized in full. If a subsidiary's accounting policies or accounting periods differ from those of the Company, necessary adjustments are made in accordance with the Company's accounting policies and periods when preparing the consolidated financial statements.

The portion of a subsidiary's shareholders' equity, net profit for the period, and comprehensive income for the period attributable to minority shareholders is separately presented under the shareholders' equity item in the consolidated balance sheet, the net profit item in the consolidated income statement, and the total comprehensive income item, respectively. The balance arising when the current period loss borne by minority shareholders of a subsidiary exceeds their share of the subsidiary's opening shareholders' equity is offset against minority interest.

（1） Addition of Subsidiaries or Businesses

During the reporting period, when subsidiaries or businesses are added through business combinations under common control, the operating results and cash flows of the subsidiaries or businesses from the beginning of the period of the business combination to the end of the reporting period are included in the consolidated financial statements. Concurrently, adjustments are made to the opening balances and relevant items in the comparative financial statements of the consolidated financial statements, treating the reporting entity as if it had existed continuously from the date the ultimate controlling party assumed control.

Where additional investments or other reasons enable control over an investee under common control, any equity investments held prior to obtaining control over the investee shall have their recognized gains or losses, other comprehensive income, and other changes in net assets from the later of the date of acquisition of the original equity interest and the date both the acquirer and investee came under common control until the date of acquisition, offset against the comparative period's opening retained earnings or current period profit or loss, respectively.

During the reporting period, if subsidiaries or businesses are added due to business combinations not under common control, they shall be included in the consolidated financial statements from the acquisition date based on the fair values of identifiable assets, liabilities, and contingent liabilities determined at the acquisition date.

Where additional investments or other reasons enable control over an investee not subject to a non-controlling interest, the equity interest in the investee held prior to the acquisition date shall be remeasured at its fair value as of the acquisition date. The difference between the fair value and the carrying amount shall be recognized as investment income for the current period.Other comprehensive income that may be reclassified to profit or loss and other changes in equity under the equity method related to equity interests in the acquiree held prior to the acquisition date shall be transferred to investment income for the period in which the acquisition date falls.

（2） Disposal of Subsidiaries

① General Approach

When control over an investee is lost due to the disposal of part of the equity investment or other reasons, the remaining equity investment after disposal shall be remeasured at its fair value as of the date of loss of control.The difference between the sum of the consideration received from the disposal and the fair value of the remaining equity interest, and the sum of the share of the subsidiary's net assets calculated based on the original equity interest proportion since the acquisition date or consolidation date and goodwill, is recognized as investment income in the period of loss of control.Other comprehensive income that may subsequently be reclassified to profit or loss, and changes in other equity under the equity method, related to the original equity investment in the subsidiary shall be converted to investment income for the period in which control is lost.

② Step-by-Step Disposal of Subsidiary

Where control over an equity investment in a subsidiary is lost through multiple transactions conducted in stages, the terms, conditions, and economic effects of each transaction relating to the disposal of the equity investment in the subsidiary typically indicate that the multiple transactions constitute a single transaction if one or more of the following conditions are met:

i. These transactions are entered into simultaneously or with consideration of their mutual impact;

ii. The transactions collectively achieve a complete commercial outcome;

iii. The occurrence of one transaction depends on the occurrence of at least one other transaction;

iv. A transaction may be uneconomical when considered individually, but becomes economical when evaluated collectively with other transactions.

Where transactions form part of a package transaction, they shall be accounted for as a single disposal of the subsidiary and loss of control. The difference between each disposal proceeds received prior to loss of control and the share of the subsidiary's net assets corresponding to the investment disposed of shall be recognized in other comprehensive income in the consolidated financial statements and transferred to profit or loss in the period of loss of control.

Where transactions do not constitute a single transaction, prior to loss of control, accounting treatment shall be applied as if the equity investment in the subsidiary were being partially disposed of without loss of control. Upon loss of control, accounting treatment shall follow the general method for disposing of subsidiaries.

(3) Acquisition of Minority Interest in Subsidiary

The difference between the newly acquired long-term equity investment from purchasing minority interests and the share of the subsidiary's net assets calculated based on the new ownership percentage from the acquisition date or consolidation date is adjusted against the share premium in capital surplus on the consolidated balance sheet. If the share premium in capital surplus is insufficient, retained earnings are adjusted.

(4) Partial Disposal of Equity Investment in Subsidiary Without Loss of Control

The difference between the disposal proceeds and the share of the subsidiary's net assets calculated continuously from the acquisition date or consolidation date corresponding to the disposed long-term equity investment shall adjust the share premium in capital surplus on the consolidated balance sheet. If the share premium in capital surplus is insufficient to cover the difference, retained earnings shall be adjusted.

8. Classification of Joint Arrangements and Accounting Treatment for Joint Ventures

√ Applicable ☐ Not applicable

Joint arrangements are classified as joint operations or joint ventures.

A joint operation is a joint arrangement in which the joint operators have rights to the assets and obligations for the liabilities of the arrangement. The Company recognizes the following items related to its share of interests in joint operations:

(1) Recognizes assets solely owned by the Company, as well as jointly held assets recognized according to the Company's share;

(2) Recognition of liabilities solely incurred by the Company, as well as jointly incurred liabilities recognized according to the Company's share;

(3) Recognition of revenue from the sale of the Company's share of the joint operation's output;

(4) Recognition of revenue from the sale of output by the joint operation, based on the Company's share;

(5) Recognition of expenses incurred solely by the Company, as well as recognition of expenses incurred by the joint operation in proportion to the Company's share.

The Company accounts for its investment in the joint venture using the equity method. For details, please refer to "V. 19 Long-term Equity Investments" in this note.

9. Criteria for Determining Cash and Cash Equivalents

Cash refers to the Company's cash on hand and deposits that can be readily converted into cash for payment. Cash equivalents refer to short-term, highly liquid investments held by the Company that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

10. Foreign Currency Transactions and Foreign Currency Financial Statement Translation

√ Applicable ☐ Not applicable

1. Foreign Currency Transactions

Foreign currency transactions are converted into RMB at the spot exchange rate prevailing on the transaction date.

Balances of monetary items denominated in foreign currencies as of the balance sheet date are translated at the spot exchange rate prevailing on that date. The resulting exchange differences are recognized in profit or loss for the period, except for exchange differences arising from foreign currency borrowings specifically used for the acquisition or construction of assets meeting capitalization criteria, which are capitalized as borrowing costs.

2. Translation of Foreign Currency Financial Statements

Assets and liabilities on the balance sheet are translated using the spot exchange rate on the balance sheet date. Equity items, except for "Retained Earnings," are translated using the spot exchange rate prevailing at the time of transaction. Income and expense items on the income statement are translated using the spot exchange rate prevailing on the transaction date.

Upon disposal of a foreign operation, the translation differences arising from the foreign currency financial statements related to that operation are transferred from equity items to profit or loss for the period of disposal.

11. Financial Instruments

√ Applicable ☐ Not applicable

The Company recognizes a financial asset, financial liability, or equity instrument when it becomes a party to the contractual provisions of the financial instrument.

1. Classification of Financial Instruments

Based on the Company's business model for managing financial assets and the contractual cash flow characteristics of such assets, financial assets are classified upon initial recognition as: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

The Company classifies financial assets that meet all of the following conditions and are not designated as financial assets at fair value through profit or loss as financial assets measured at amortized cost:

——— The business model is focused on collecting contractual cash flows;

——— The contractual cash flows consist solely of payments of principal and interest based on the outstanding principal amount.

The Company classifies financial assets that meet both of the following conditions and are not designated as financial assets at fair value through profit or loss as financial assets at fair value through other comprehensive income (debt instruments)

——— The business model aims to collect contractual cash flows and sell the financial asset;

——— Contract cash flows consist solely of payments of principal and interest based on the outstanding principal amount.

For non-trading equity investments, the Company may irrevocably designate them at initial recognition as financial assets at fair value through other comprehensive income (equity instruments) This designation is made on an individual investment basis, and the relevant investment meets the definition of an equity instrument from the issuer's perspective.

Except for the aforementioned financial assets measured at amortized cost and those measured at fair value with changes recognized in other comprehensive income, the Company classifies all other financial assets as financial assets measured at fair value with changes recognized in profit or loss.Upon initial recognition, the Company may irrevocably designate a financial asset that would otherwise be classified as measured at amortized cost or measured at fair value through other comprehensive income as a financial asset measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

Financial liabilities are classified upon initial recognition as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost.

A financial liability may be designated at initial measurement as a financial liability at fair value through profit or loss if it meets any of the following conditions:

1) The designation eliminates or significantly reduces an accounting mismatch.

2) The financial liability portfolio or the portfolio of financial assets and liabilities is managed and evaluated on a fair value basis in accordance with the entity's risk management or investment strategy documented in formal written policies, and key management personnel are reported to on this basis within the entity.

3) The financial liability contains an embedded derivative that must be separated.

Under the above conditions, the financial liabilities designated by the Company primarily include: (specific description of designated circumstances)

2. Basis for Recognition and Measurement Methods of Financial Instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc. These are initially measured at fair value, with related transaction costs included in the initial recognition amount. Accounts receivable without significant financing components, as well as accounts receivable where the Company elects not to consider financing components with a maturity of one year or less, are initially measured at the contract transaction price.

Interest calculated using the effective interest method during the holding period is recognized in profit or loss for the period.

Upon recovery or disposal, the difference between the proceeds received and the carrying amount of the financial asset is recognized in profit or loss for the period.

(2) Financial Assets at Fair Value Through Other Comprehensive Income (Debt Instruments)

Financial assets at fair value through other comprehensive income (debt instruments), including receivables financing and other debt investments, are initially measured at fair value, with transaction costs included in the initial recognition amount. These assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income, except for interest calculated using the effective interest method, impairment losses or gains, and foreign exchange gains or losses.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and recognized in profit or loss for the period.

.

(3) Financial Assets at Fair Value Through Other Comprehensive Income (Equity Instruments)

Financial assets at fair value through other comprehensive income (equity instruments) include other equity investments

, etc. These are initially measured at fair value, with related transaction costs included in the initial recognition amount. Such financial assets are subsequently measured at fair value

and changes in fair value are recognized in other comprehensive income. Dividends received are recognized in profit or loss for the period.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and recognized in retained earnings.

.

(4) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include trading financial assets, derivative financial assets, other non-current financial assets, etc. They are initially measured at fair value, with related transaction costs recognized in profit or loss for the period. These financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss for the period.

Fair value measurement is used for subsequent measurement, with changes in fair value recognized in profit or loss for the period.

(5) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include trading liabilities, derivative liabilities, etc. They are initially measured at fair value, with related transaction costs recognized in profit or loss. These liabilities are

subsequently measured at fair value, with changes in fair value recognized in profit or loss.

Upon derecognition, the difference between the carrying amount and the consideration paid is recognized in profit or loss for the period.

(6) Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, and long-term payables. They are initially measured at fair value, with related transaction costs included in the initial recognition amount.

Interest calculated using the effective interest method during the holding period is recognized in profit or loss for the period.

Upon derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognized in profit or loss for the period.

3. Basis for **Derecognition of Financial Assets and Recognition of Financial Asset Transfers** The Company derecognizes a financial asset when any of the following conditions is met:

——— Contractual rights to receive cash flows from the financial asset are terminated;

——— The financial asset has been transferred, and substantially all risks and rewards of ownership have been transferred to the transferee;

——— The financial asset has been transferred, and although the Company has neither transferred nor retained substantially all rewards of ownership of the financial asset, it has not retained control over the financial asset.

If the Company modifies or renegotiates the contract with the counterparty and the modification constitutes a substantive modification, the original financial asset is derecognized, and a new financial asset is recognized in accordance with the modified terms.

When a financial asset is transferred, if the Company retains substantially all the risks and rewards of ownership, the financial asset is not derecognized.

In determining whether a transfer of a financial asset meets the above derecognition criteria, the Company applies the principle of substance over form. The Company classifies transfers of financial assets as either transfers of the entire financial asset or partial transfers. Where a transfer of the entire financial asset meets the derecognition criteria

, the difference between the following two amounts is recognized in profit or loss for the period:

(1) The carrying amount of the transferred financial asset;

(2) The consideration received for the transfer, plus the cumulative amount of changes in fair value previously recognized directly in equity (where the transferred financial asset is a debt instrument measured at fair value with changes recognized in other comprehensive income).

For partial transfers of financial assets meeting the criteria for derecognition, the carrying amount of the transferred financial asset is allocated between the derecognized portion and the retained portion based on their respective relative fair values. The difference between the following two amounts is recognized in profit or loss for the period:

(1) The carrying amount of the portion derecognized;

(2) The consideration received for the derecognized portion, plus the portion of the cumulative fair value changes previously recognized directly in equity corresponding to the derecognized portion (where the transferred financial asset is a financial asset at fair value through other comprehensive income (debt instrument)).

If the transfer of a financial asset does not meet the conditions for derecognition, the financial asset continues to be recognized, and the consideration received is recognized as a financial liability.

4. Derecognition of Financial Liabilities

A financial liability is derecognized in whole or in part when its present obligation is extinguished. If the Company enters into an agreement with a creditor to replace an existing financial liability with a new financial liability, and the contractual terms of the new liability are substantially different from those of the existing liability, the existing liability is derecognized and the new liability is recognized simultaneously.

If the contractual terms of an existing financial liability are substantially modified in whole or in part, the existing financial liability or part thereof is derecognized, and the modified liability is recognized as a new financial liability.

When a financial liability is derecognized in whole or in part, the difference between the carrying amount of the derecognized liability and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the period.

If the Company repurchases part of a financial liability, it allocates the carrying amount of the entire liability on the repurchase date based on the relative fair values of the portion retained and the portion derecognized. The difference between the carrying amount allocated to the portion derecognized and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the period.

5. Methods for Determining the Fair Value of Financial Assets and Financial Liabilities

For financial instruments with an active market, fair value is determined based on quoted prices in that market. For financial instruments without an active market, fair value is determined using valuation techniques.When valuing financial instruments, the Company employs valuation techniques that are appropriate under current circumstances and supported by sufficient available data and other information. Input values selected align with the characteristics of the asset or liability considered by market participants in transactions involving the relevant asset or liability, with priority given to observable inputs. Unobservable inputs are used only when relevant observable inputs are unavailable or

unfeasible to obtain relevant observable inputs.

6. Impairment Testing Methods and Accounting Treatment for Financial Instruments

The Company applies impairment accounting based on expected credit losses for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments), and financial guarantee contracts.

The Company considers reasonable and supportable information regarding past events, current conditions, and forecasts of future economic conditions. It calculates the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the expected cash flows receivable, weighted by the risk of default, to recognize expected credit losses.

For receivables and contract assets arising from transactions regulated by Accounting Standard for Business Enterprises No. 14—Revenue, regardless of whether they contain significant financing components, the Company consistently measures loss allowances at an amount equivalent to the expected credit losses over the entire remaining life of the contract. For lease receivables arising from transactions regulated by Accounting Standard for Business Enterprises No. 21—Leases, the Company elects to consistently measure loss allowances at an amount equivalent to the expected credit losses over the entire remaining life of the lease.

the amount equivalent to the expected credit losses over the entire remaining life of the receivable.

For other financial instruments, the Company assesses changes in the credit risk of the relevant financial instruments since initial recognition at each balance sheet date.

The Company assesses whether credit risk has increased significantly since initial recognition by comparing the risk of default at the balance sheet date with the risk of default at initial recognition to determine the relative change in the risk of default over the instrument's expected life.Generally, if a financial instrument is past due for more than 30 days, the Company considers that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument is low at the balance sheet date, the Company considers that the credit risk of the financial instrument has not significantly increased since initial recognition.

If the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance at an amount equivalent to the expected credit losses over the entire remaining life of the instrument. If the credit risk of the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equivalent to the expected credit losses over the next 12 months.The increase or reversal of the resulting loss allowance is recognized as an impairment loss or gain in profit or loss for the period. For financial assets (debt instruments)measured at fair value with changes recognized in other comprehensive income, the loss allowance is recognized in other comprehensive income, and the impairment loss or gain is recognized in profit or loss for the period, without reducing the carrying amount of the financial asset presented in the balance sheet.

If there is objective evidence that a specific receivable has incurred credit impairment, the Company recognizes an impairment allowance for that receivable on an individual basis.

Except for the aforementioned receivables for which individual impairment provisions are made, the Company categorizes the remaining financial instruments into several pools based on their credit risk characteristics and determines expected credit losses on a pool basis. The pool categories and determination basis for expected credit losses on notes receivable, accounts receivable, receivables financing, other receivables, contract assets, and long-term receivables are as follows:

Item	Portfolio Category	Basis for Determination
Notes receivable	Bank Accepted Bills	Bank Accepted Bills Outside the Scope of "6+9" Systemically Important Banks
Notes Receivable	Commercial Accepted Bills	Accepted bills issued by non-financial institutions
Accounts receivable, other receivables, contract assets	Ageing portfolio	Receivables with the same aging profile exhibit similar credit risk characteristics

The Company's method for calculating aging based on credit risk characteristics is as follows:

Accounts Receivable Aging	Notes receivable	Accounts Receivable	Contract Assets	Other Receivables
Within 1 year	5%	5%	5%	5%
1-2 years	20%	20%	20%	20%
2-3 years	50%	50%	50%	50%
3 years or more	100%	100%	100%	100%

When the Company no longer reasonably expects to recover all or part of the contractual cash flows from a financial asset, it directly writes down the carrying amount of that financial asset.

12. Notes receivable

√ Applicable ☐Not Applicable

Portfolio categories for provisioning bad debt reserves based on credit risk characteristics and the basis for their determination

√ Applicable ☐Not applicable

For details, refer to Note V.11 Financial Instruments.

Ageing calculation method for determining credit risk characteristic pools based on aging

√ Applicable ☐Not applicable

See Note V.11 Financial Instruments for details.

Criteria for determining individual impairment of loans

√ Applicable ☐Not applicable

See Note V.11 Financial Instruments for details.

13. Accounts Receivable

√ Applicable ☐Not applicable

Classification categories and basis for determining bad debt provisions based on credit risk characteristics

√ Applicable ☐Not applicable

See Note V.11 Financial Instruments for details.

Ageing calculation method for determining credit risk characteristic pools based on aging

√ Applicable ☐Not applicable

See Note V.11 Financial Instruments for details.

Criteria for determining individual recognition of allowance for doubtful accounts

√ Applicable ☐Not applicable

For details, please refer to Note V.11 Financial Instruments.

14. Receivables Financing

√ Applicable ☐Not Applicable

Portfolio categories for provisioning bad debt reserves based on credit risk characteristics and the basis for determination

√ Applicable ☐Not applicable

See Note V.11 Financial Instruments for details.

Ageing calculation method for determining credit risk characteristic pools based on aging

√ Applicable □Not applicable

See Note V.11 Financial Instruments for details.

Criteria for determining individual impairment of loans

√ Applicable □Not applicable

See Note V.11 Financial Instruments for details.

15. Other Receivables

√ Applicable □ Not applicable

Classification of credit risk characteristics for collective impairment and basis for determination

√ Applicable □Not applicable

See Note V.11 Financial Instruments for details.

Ageing calculation method for determining credit risk characteristic pools based on aging

√ Applicable □Not applicable

See Note V.11 Financial Instruments for details.

Criteria for determining individual impairment of loans

√ Applicable □Not applicable

See Note V.11 Financial Instruments for details.

16. Inventories

√ Applicable □ Not applicable

Inventory classification, valuation method upon issuance, inventory system, and amortization method for low-value consumables and packaging materials

√ Applicable □Not applicable

Inventory classification includes: goods in transit, raw materials, consumable supplies, merchandise in stock, work in progress, goods issued, materials processed on consignment etc.

Inventory is initially measured at cost, which includes procurement costs, processing costs, and other expenditures incurred to bring the inventory to its present location and condition. condition.

Criteria and Method for Recognizing Inventory Valuation Allowances

√ Applicable □ Not applicable

At the balance sheet date, inventory shall be measured at the lower of cost and net realizable value. When inventory cost exceeds its net realizable value, an allowance for inventory impairment shall be recognized. Net realizable value refers to the estimated selling price in the ordinary course of business, less estimated costs to complete, estimated selling expenses, and related taxes.

For finished goods, merchandise, and materials held for sale—inventories intended for direct sale—the net realizable value is determined during normal production operations as the estimated selling price less estimated selling expenses and related taxes.For materials requiring processing, the net realizable value is determined as the estimated selling price of the finished goods produced minus the estimated costs to be incurred until completion, estimated selling expenses, and related taxes during normal production and business operations.For inventory held

to fulfill sales or service contracts, net realizable value is calculated based on the contract price. If the quantity of inventory held exceeds the quantity ordered in the sales contract, the net realizable value of the excess inventory is calculated based on the general selling price. After provision for inventory impairment is made, if

the factors that previously caused the inventory to be written down no longer exist, resulting in the net realizable value exceeding its carrying amount, the reversal shall be made within the amount of the previously accrued allowance for inventory impairment. The reversal amount shall be recognized in profit or loss for the current period.

The grouping categories and basis for determining inventory impairment allowances by portfolio, as well as the basis for determining the net realizable value of different categories of inventory

☐ Applicable √ Not applicable

Calculation methods and basis for determining the realizable value of each inventory aging group based on inventory aging

☐ Applicable √ Not applicable

17. Contract Assets

√ Applicable ☐ Not applicable

Recognition methods and criteria for contract assets

√ Applicable ☐Not Applicable

The Company presents contract assets or contract liabilities on the balance sheet based on the relationship between the fulfillment of performance obligations and customer payments. The Company presents as contract assets the rights to receive consideration for goods delivered or services rendered to customers (where such rights are subject to factors other than the passage of time). Contract assets and contract liabilities arising from the same contract are presented on a net basis.The Company's unconditional right (dependent solely on the passage of time) to receive consideration from customers is presented separately as accounts receivable.

Grouping categories for bad debt provisions based on credit risk characteristics and the basis for determination

√ Applicable ☐ Not applicable

For details, please refer to "V.11 Financial Instruments" in this note.

Ageing calculation method for credit risk characteristic pools based on ageing

√ Applicable ☐ Not applicable

See Note V.11 Financial Instruments for details.

Criteria for determining individual recognition of allowance for doubtful accounts

√ Applicable ☐Not applicable

See Note V.11 Financial Instruments for details.

18. Non-current assets or disposal groups held for sale

√ Applicable ☐ Not applicable

Non-current assets or disposal groups are classified as held for sale when their carrying amount is expected to be recovered principally through sale (including non-monetary asset exchanges with commercial substance) rather than through continuing use.

Criteria for Recognition and Accounting Treatment of Non-current Assets or Disposal Groups Classified as Held for Sale

√ Applicable ☐ Not applicable

The Company classifies non-current assets or disposal groups as held for sale when all of the following conditions are met:

(1) The asset or disposal group is readily available for immediate sale under current conditions, consistent with

customary practices for similar transactions;

(2) The sale is highly probable, meaning the Company has made a resolution regarding a sale plan and obtained a firm commitment to purchase, with the sale expected to be completed within one year. If regulations require approval from the Company's relevant governing bodies or regulatory authorities before the sale, such approval has been obtained.

For non-current assets (excluding financial assets, deferred tax assets, and assets arising from employee benefits)

or disposal groups whose carrying amount exceeds their fair value less costs to sell shall be written down to their fair value less costs to sell. The amount of the write-down shall be recognized as an impairment loss on assets, recorded in profit or loss for the period, while simultaneously accruing an impairment allowance for assets held for sale.

Criteria for Identifying and Reporting Discontinued Operations

√ Applicable □ Not applicable

A discontinued operation is a separately identifiable component that meets any of the following criteria and has been disposed of by the Company or classified as held for sale:

(1) This component represents an independent principal business or a separate principal operating region;

(2) The component is part of a related plan to dispose of an independent principal business or a separate principal operating region;

(3) The component is a subsidiary acquired specifically for resale.

Income from continuing operations and income from discontinued operations are presented separately in the income statement. Operating income and expenses, including impairment losses and reversals of discontinued operations, as well as disposal gains or losses, are reported as income from discontinued operations. For discontinued operations reported in the current period, the Company reclassifies information previously reported as income from continuing operations to income from discontinued operations for comparable periods in the current financial statements.

19. Long-Term Equity Investments

√ Applicable □ Not applicable

1. Criteria for Judging Joint Control and Significant Influence

Joint control refers to shared control over an arrangement based on relevant agreements, where decisions regarding the arrangement's activities require unanimous consent from all parties sharing control. When the Company and other joint venture partners jointly control an investee and hold rights to the investee's net assets, the investee is classified as the Company's joint venture.

Significant influence refers to the power to participate in the financial and operating policy decisions of an investee, but not to control or jointly control the formulation of these policies with others. Where the Company can exert significant influence over an investee, the investee is classified as an associate of the Company.

2. Determination of Initial Investment Cost

(1) Long-term equity investments arising from business combinations

For long-term equity investments in subsidiaries arising from business combinations under common control, the initial investment cost is determined at the acquisition date based on the proportionate share of the carrying value of the acquiree's equity interests in the ultimate controlling party's consolidated financial statements. The difference between the initial investment cost and the carrying value of the consideration paid adjusts the share premium in capital surplus;If the share premium in capital surplus is insufficient to cover the adjustment, retained earnings shall be adjusted. Where additional investments or other reasons enable control over an investee under common control, the difference between the initial investment cost of the long-term equity investment recognized per the above principles and the sum of the pre-merger carrying amount of the long-term equity investment plus the carrying amount of the additional consideration paid for newly acquired shares on the merger date shall adjust the share premium. If the share premium is insufficient to cover the adjustment, retained earnings shall be reduced.

For long-term equity investments in subsidiaries arising from business combinations not under common control, the acquisition cost determined at the acquisition date shall be recognized as the initial investment cost. If additional investments enable control over the investee not under common control, the initial investment cost shall be the sum of the carrying amount of the original equity investment and the cost of the additional investment.

(2) Long-term equity investments acquired through means other than business combinations

For long-term equity investments acquired by payment of cash, the initial investment cost shall be the actual purchase price paid.

Long-term equity investments acquired by issuing equity securities shall be measured at the fair value of the equity securities issued as the initial investment cost.

3. Subsequent Measurement and Profit/Loss Recognition Method

(1) Long-term equity investments accounted for using the cost method

The Company accounts for long-term equity investments in subsidiaries using the cost method, unless the investment qualifies as held for sale. Except for cash dividends or profits declared but not yet distributed included in the actual purchase price or consideration paid upon acquisition, the Company recognizes current investment income based on the cash dividends or profits declared and distributed by the investee.

(2) Long-Term Equity Investments Accounted for Using the Equity Method

Long-term equity investments in associates and joint ventures are accounted for using the equity method. Any excess of the initial investment cost over the Company's share of the investee's identifiable net assets at fair value at the time of investment is not adjusted against the initial investment cost of the long-term equity investment. Conversely, any deficiency of the initial investment cost relative to the Company's share of the investee's identifiable net assets at fair value is recognized in profit or loss for the period and simultaneously adjusts the cost of the long-term equity investment.

The company recognizes investment income and other comprehensive income based on its share of the investee's net profit or loss and other comprehensive income, respectively, while adjusting the carrying amount of the long-term equity investment.The portion attributable to the declared profits or cash dividends of the investee shall be calculated and the carrying amount of the long-term equity investment shall be reduced accordingly. For all other changes in the investee's equity other than net profit or loss, other comprehensive income, and profit distribution (referred to as "other changes in equity") the carrying amount of the long-term equity investment shall be adjusted and recognized in equity.

When recognizing the share of the investee's net profit, other comprehensive income, and other changes in equity, the fair value of the investee's identifiable net assets at the time of investment acquisition shall serve as the basis. Adjustments shall be made to the investee's net profit and other comprehensive income in accordance with the company's accounting policies and accounting period before recognition.

Unrealized gains or losses on internal transactions between the company and its associates or joint ventures are allocated to the company based on its ownership interest and offset accordingly. Investment income is recognized on this basis, except when the assets transferred or sold constitute a business. Unrealized losses on internal transactions with investees that constitute asset impairment losses are recognized in full.

The Company's share of net losses incurred by a joint venture or associate is limited to the lower of the carrying amount of the long-term equity investment and other long-term interests that in substance constitute net investment in the joint venture or associate, unless the Company has an obligation to bear additional losses. If the joint venture or associate subsequently generates net profits, the Company resumes recognizing its share of profits after the share of profits has offset the unrecognized share of losses.

(3) Disposal of Long-Term Equity Investments

The difference between the carrying amount of a long-term equity investment and the proceeds actually received upon its disposal is recognized in profit or loss for the period.

When a portion of an equity-method long-term equity investment is disposed of and the remaining equity is still accounted for using the equity method, the other comprehensive income previously recognized under the equity method shall be transferred proportionally based on the same basis as the investee's direct disposal of related assets or liabilities. All other changes in equity shall be transferred proportionally to profit or loss for the period.

When joint control or significant influence over an investee is lost due to the disposal of equity investments or other reasons, the other comprehensive income previously recognized under the equity method shall be accounted for on the same basis as the direct disposal of related assets or liabilities of the investee when discontinuing the equity method. All other changes in equity shall be transferred to profit or loss for the period when discontinuing the equity method.

When control over an investee is lost due to reasons such as the disposal of a portion of an equity investment, the remaining equity interest shall be accounted for using the equity method when preparing separate financial statements if it enables the exercise of joint control or significant influence over the investee. The remaining equity interest shall be adjusted as if it had been accounted for using the equity method since its acquisition. Other

comprehensive income recognized prior to obtaining control over the investee shall be transferred proportionally on the same basis as the direct disposal of related assets or liabilities by the investee. Other changes in equity shall be transferred in full to profit or loss for the period when the equity method is discontinued.

If the remaining equity interest cannot exert joint control or significant influence over the investee, it shall be recognized as a financial asset. The difference between its fair value and carrying amount on the date of loss of control shall be recognized in profit or loss for the period. Other changes in equity recognized under the equity method shall be transferred proportionally to profit or loss for the period.If the remaining equity interest cannot exercise joint control or significant influence over the investee, it shall be recognized as a financial asset. The difference between its fair value and carrying amount on the date of loss of control shall be recognized in profit or loss for the period. All other comprehensive income and changes in equity recognized prior to obtaining control over the investee shall be fully transferred.

Where control over a subsidiary is lost through multiple transactions disposing of equity investments in a step-by-step manner, and such transactions constitute a single package transaction, each transaction shall be accounted for as a single disposal of equity investments in the subsidiary resulting in loss of control.The difference between the proceeds from each disposal prior to loss of control and the carrying amount of the long-term equity investment corresponding to the disposed equity interest shall be recognized in other comprehensive income in the separate financial statements. Upon loss of control, these amounts shall be transferred collectively to profit or loss for the period in which control is lost. If the transactions do not constitute a single transaction, each transaction shall be accounted for separately.

20. Investment property is not applicable.

21. Fixed Assets

(1). Recognition Criteria

√ Applicable □ Not applicable

Fixed assets refer to tangible assets held for the production of goods, provision of services, leasing, or management, with a useful life exceeding one accounting period. Fixed assets are recognized when all of the following conditions are met:

(1) The economic benefits associated with the fixed asset are likely to flow to the enterprise;

(2) The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (taking into account the estimated disposal costs).

Subsequent expenditures related to a fixed asset are capitalized when it is probable that the related economic benefits will flow to the enterprise and the cost can be measured reliably. For the portion that is replaced, the carrying amount is derecognized. All other subsequent expenditures are recognized in profit or loss when incurred.

(2). Depreciation Method

√ Applicable □ Not applicable

Category	Depreciation Method	Depreciation Period (Years)	Residual Value Rate	Annual Depreciation Rate
Buildings and Structures	Straight-line method	10-20	5%	4.75-9.50%
Machinery and Equipment	Straight-line method	2-10	5%	9.50–47.50%
Transportation Equipment	Straight-line method	4	5%	23.75%
Electronic Equipment and Other Fixed Asset Renovations	Straight-line method	3-5	5%	19.00–31.67%
Land Ownership	Not applicable	Permanent	Not applicable	Not applicable

22. Construction in Progress

√ Applicable □ Not applicable

Construction in progress is measured at actual cost. Actual cost includes construction costs, installation costs, borrowing costs meeting capitalization criteria, and other necessary expenditures incurred to bring the construction in progress to its intended usable state. Upon reaching its intended usable state, construction in progress is transferred to fixed assets and depreciation begins the following month.

and other necessary expenditures incurred to bring the construction in progress to its intended usable state. Construction in progress is transferred to fixed assets upon reaching its intended usable state and begins depreciation from the following month. The Company's criteria and timing for transferring construction in progress to fixed assets are as follows:

Category	Criteria and Timing for Transfer to Fixed Assets
Buildings and Structures	Transferred to fixed assets upon completion of construction, installation, and decoration, and passing overall final acceptance inspection
Machinery and Equipment	Transferred to fixed assets upon completion of installation and commissioning and passing acceptance inspection

23. Borrowing Costs

√ Applicable ☐ Not applicable

1. Recognition Principles for Capitalizing Borrowing Costs

Borrowing costs incurred by the company that are directly attributable to the acquisition, construction, or production of assets meeting capitalization criteria shall be capitalized and included in the cost of the relevant assets. Other borrowing costs shall be recognized as expenses based on their amount when incurred and included in profit or loss for the period.

Assets meeting capitalization criteria refer to fixed assets, investment properties, inventories, and similar assets that require a substantial period of construction or production activities to reach their intended usable or saleable state.

2. Borrowing Costs Capitalization Period

The capitalization period refers to the time from when borrowing costs begin to be capitalized until the point when capitalization ceases, excluding any periods during which capitalization is suspended.

Borrowing costs are capitalized when all of the following conditions are met:

① Asset expenditures have been incurred, including expenditures made in the form of cash payments, transfers of non-cash assets, or assumption of interest-bearing debt for the acquisition, construction, or production of assets meeting capitalization criteria;

② Borrowing costs have been incurred;

③ Construction or production activities necessary to bring the asset to its intended usable or saleable state have commenced.

Capitalization of borrowing costs ceases when the asset being acquired, constructed, or produced reaches its intended usable or saleable state.

3. Period of Suspension of Capitalization

If the construction or production of an asset qualifying for capitalization is interrupted abnormally for a continuous period exceeding three months, capitalization of borrowing costs is suspended. However, if the interruption is a necessary step for the asset to reach its intended usable or saleable state, capitalization of borrowing costs continues. Borrowing costs incurred during the interruption period are recognized as current period expenses until capitalization resumes upon the restart of the asset's construction or production activities.

4. Calculation Methods for Borrowing Costs Capitalization Rate and Capitalized Amount

For specific borrowings incurred to acquire or construct assets meeting capitalization criteria, the capitalized amount of borrowing costs is determined as the actual borrowing costs incurred during the period, less interest income earned on unused funds deposited in banks or investment income from temporary investments.

For general borrowings used for the acquisition, construction, or production of assets meeting capitalization criteria, the capitalized borrowing costs are calculated by multiplying the weighted average of asset expenditures exceeding the special borrowings by the capitalization rate of the general borrowings. The capitalization rate is determined based on the weighted average effective interest rate of the general borrowings.

During the capitalization period, exchange differences arising from the principal and interest of foreign currency specific borrowings shall be capitalized and included in the cost of assets meeting capitalization criteria.

. Exchange differences arising from principal and interest on other foreign currency borrowings, excluding dedicated foreign currency borrowings, shall be recognized in profit or loss for the period.

24. Biological Assets

□Applicable √ Not applicable

25. Oil and Gas Assets

□Applicable √

Not applicable **26.**

(1). Useful Life and Basis for Determination, Estimates, Amortization Method or Review Procedures

√ Applicable □ Not applicable

1. Valuation Method for Intangible Assets

(1) The Company initially measures intangible assets at cost upon acquisition;

The cost of purchased intangible assets includes the purchase price, related taxes, and other expenditures directly attributable to bringing the asset to its intended use.

(2) Subsequent Measurement

The useful life of an intangible asset is analyzed and determined at the time of acquisition.

For intangible assets with finite useful lives, they are amortized over the period during which they are expected to generate economic benefits for the enterprise. If the period during which the intangible asset is expected to generate economic benefits for the enterprise cannot be estimated, it is treated as an intangible asset with an indefinite useful life and is not amortized.

2. Estimation of the useful life of intangible assets with finite useful lives

Item	Estimated Useful Life	Amortization Method	Residual Value Rate	Basis for Determining Estimated Useful Life
Land Use Rights	Registered land use period on the land certificate	Straight-line method	Land Use Rights Certificate	Land Use Rights
Software	5 years	Straight-line method	Estimated Beneficial Life	Software
Trademark Rights	10 years	Straight-line method	Estimated useful life	Trademark Rights
Patent Rights	5 years	Straight-line method	Estimated Beneficial Life	Patent Rights
Customer relationships	5 years	Straight-line method	Estimated Beneficial Life	Customer relationships

(2). Scope of Aggregation for R&D Expenditures and Related Accounting Treatment Methods

√ Applicable □ Not Applicable

1. Scope of R&D Expenditure Aggregation

Expenses incurred during the company's research and development activities include personnel compensation for R&D staff, materials consumed, and related depreciation and amortization expenses, allocated overhead.

Personnel compensation for R&D personnel primarily refers to compensation for staff directly engaged in R&D activities, as well as management personnel and direct support staff closely associated with R&D activities. This includes wages and salaries, social insurance contributions, and housing provident fund contributions.

Consumed materials primarily include directly consumed materials, fuel, and power costs.

Relevant depreciation and amortization expenses primarily include depreciation of instruments, equipment, and buildings in use for R&D activities; amortization of intangible assets such as software, patents, and non-patented technologies used in R&D; and long-term deferred expenses arising from renovations or refurbishments of R&D facilities.

Design and technical consulting fees primarily include expenses incurred by the company when commissioning external institutions or individuals to conduct R&D activities.

Other expenses primarily include other costs directly related to R&D activities, such as testing, analysis, appraisal, evaluation, and acceptance costs for R&D outcomes; intellectual property application fees, registration fees, and agency fees; and travel expenses.

2. Specific Criteria for Distinguishing Research and Development Phases

The expenditures for the company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Research Phase: The phase involving original, planned investigations and research activities aimed at acquiring and understanding new scientific or technical knowledge.

Development Phase: The stage where research results or other knowledge are applied to a specific plan or design to produce new or substantially improved materials, devices, products, etc., prior to commercial production or use.

3. Specific Conditions for Capitalizing Development Phase Expenditures

Research phase expenditures are recognized as expenses in the period incurred. Development phase expenditures are capitalized as intangible assets only if they meet all of the following conditions. Development phase expenditures that do not meet these conditions are recognized as expenses in the period incurred:

(1) It is technically feasible to complete the intangible asset so that it can be used or sold;

(2) There is an intention to complete the intangible asset and use or sell it;

(3) The manner in which the intangible asset will generate economic benefits, including evidence of a market for products produced using the asset or a market for the asset itself, or evidence of its usefulness if to be used internally;

(4) Sufficient technical, financial, and other resources are available to complete the development of the intangible asset and to use or sell it;

(5) Expenditures attributable to the development stage of the intangible asset can be measured reliably.

Where expenditures cannot be distinguished between research and development phases, all R&D expenditures are recognized as an expense in the period incurred.

27. Impairment of Long-Term Assets

√ Applicable □ Not Applicable

Long-term assets such as long-term equity investments, investment properties measured at cost, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, and oil and gas assets shall undergo impairment testing if there are indications of impairment at the balance sheet date. If the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, an impairment allowance shall be recognized for the difference and recorded as an impairment loss.The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of its estimated future cash flows. Impairment losses are calculated and recognized on an individual asset basis. If it is impractical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs shall be determined. An asset group is the smallest group of assets that generates cash inflows independently.

Goodwill arising from business combinations, intangible assets with indefinite useful lives, and intangible assets not yet available for use shall undergo impairment testing at least annually at the end of each fiscal year, regardless of whether there are indications of impairment.

The Company conducts goodwill impairment tests. For goodwill arising from a business combination, the carrying amount is allocated to relevant asset groups using a reasonable method from the acquisition date. Where allocation to specific asset groups is impracticable, it is allocated to a group of relevant asset groups. The relevant

asset group or group of asset groups is the one that benefits from the synergies of the business combination.

When conducting impairment tests on asset groups or groups of assets containing goodwill, if impairment indicators exist for the asset group or group of assets related to goodwill, impairment tests are first performed on the asset group or group of assets not containing goodwill. The recoverable amount is calculated and compared with the related carrying amount to recognize the corresponding impairment loss.Subsequently, the asset group or group of assets containing goodwill shall undergo impairment testing. The carrying amount shall be compared with the recoverable amount. If the recoverable amount is less than the carrying amount,the impairment loss amount shall first reduce the carrying amount of goodwill allocated to the asset group or portfolio. Subsequently, the carrying amounts of other assets within the asset group or portfolio shall be reduced proportionally based on their respective carrying amounts relative to the total carrying amount of all assets in the group or portfolio.

Once recognized, such impairment losses shall not be reversed in subsequent accounting periods.

28. Deferred Expenses

√ Applicable ☐ Not applicable

Deferred expenses are costs incurred but attributable to the current and future periods, with an amortization period exceeding one year. The amortization period and method for each expense are as follows: amortized evenly over the estimated benefit period.

29. Contract Liabilities

√ Applicable ☐ Not Applicable

The Company presents contract assets or contract liabilities on the balance sheet based on the relationship between fulfilling performance obligations and customer payments. The Company's obligation to transfer goods or provide services to customers in exchange for consideration received or receivable is presented as a contract liability. Contract assets and contract liabilities arising from the same contract are presented on a net basis.

30. Employee Compensation

(1). Accounting treatment for short-term compensation

√Applicable ☐ Not applicable

The Company recognizes actual short-term compensation incurred during the accounting period in which employees provide services to the Company as a liability, and includes it in current period profit or loss or related asset costs.

Social insurance contributions, housing provident fund contributions, union dues, and employee education funds paid by the Company on behalf of employees are calculated based on prescribed accrual bases and rates during the accounting period in which employees provide services to the Company.

Employee welfare expenses incurred by the Company are recognized in profit or loss for the period or included in the cost of related assets when actually incurred, based on the actual amount incurred. Non-monetary benefits are measured at fair value.

(2). Accounting Treatment for Post-Employment Benefits

√ Applicable ☐ Not applicable

(1) Defined Contribution Plan

The Company contributes to basic pension insurance and unemployment insurance for employees in accordance with local government regulations. During the accounting period in which employees provide services to the Company, the amounts payable are calculated based on the locally prescribed contribution bases and rates, recognized as liabilities, and included in current period profit or loss or the cost of related assets. Additionally, the Company participates in enterprise pension plans/supplementary pension funds approved by relevant national authorities.The Company contributes a specified percentage of total employee wages to the pension plan/local social insurance institutions. The corresponding expenses are recognized in current period profit or loss or related asset costs.

(2) Defined Benefit Plans

The Company attributes the benefit obligations arising from defined benefit plans to the periods in which employees render service using a formula determined under the projected unit credit method, and recognizes them in current period profit or loss or the cost of related assets.

The present value of defined benefit plan obligations, less the fair value of defined benefit plan assets, results in a deficit or surplus recognized as a net liability or net asset of the defined benefit plan. Where a surplus exists, the Company measures the net asset of the defined benefit plan at the lower of the surplus and the asset ceiling of the defined benefit plan.

All defined benefit plan obligations, including those expected to be paid within twelve months after the end of the reporting period in which the employee rendered service, are discounted using the market yield on government bonds or high-quality corporate bonds in an active market that matches the term and currency of the defined benefit plan obligation as of the balance sheet date.

Service costs arising from the defined benefit plan and net interest on the net liability or net asset of the defined benefit plan are recognized in profit or loss for the period or in the cost of related assets. Changes arising from the remeasurement of the net liability or net asset of the defined benefit plan are recognized in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods. Upon termination of the original defined benefit plan, the portion originally recognized in other comprehensive income is fully transferred to retained earnings within equity.

Upon settlement of a defined benefit plan, a settlement gain or loss is recognized based on the difference between the present value of the defined benefit obligation determined at the settlement date and the settlement price.

(3). Accounting Treatment for Termination Benefits

√ Applicable ☐Not Applicable

When the Company provides termination benefits to employees, it recognizes the employee compensation liability arising from such benefits in profit or loss for the period in which the earlier of the following occurs: when the Company cannot unilaterally withdraw the termination benefits offered due to a plan to terminate employment relationships or a redundancy proposal; or when the Company recognizes costs or expenses related to restructuring involving the payment of termination benefits.

(4). Accounting Treatment for Other Long-Term Employee Benefits

☐ Applicable √ Not Applicable

31. Contingent Liabilities

√ Applicable ☐ Not applicable

The Company recognizes a provision for obligations related to contingent events when all of the following conditions are met:

(1) The obligation is a present obligation of the Company;

(2) Fulfilling the obligation is likely to result in an outflow of economic benefits from the Company;

(3) The amount of the obligation can be reliably measured.

A provision is initially measured at the best estimate of the expenditure required to settle the present obligation.

In determining the best estimate, factors such as risks, uncertainties, and the time value of money associated with the contingent liability are considered comprehensively. Where the time value of money has a significant effect, the best estimate is determined by discounting the related future cash outflows.

Where the required expenditure falls within a continuous range and the likelihood of each outcome within that range is equally probable, the best estimate is determined as the midpoint of that range. In other cases, the best estimate is determined as follows:

- For a single item, the best estimate is the amount most likely to occur.

- When a contingent liability involves multiple items, the best estimate is calculated based on the various possible outcomes and their associated probabilities.

Where all or part of the expenditure required to settle an estimated liability is expected to be reimbursed by a third party, the reimbursement amount shall be recognized as an asset when it is virtually certain to be received,

it is recognized separately as an asset, with the recognized compensation amount not exceeding the carrying amount of the provision.

The Company reviews the carrying amount of its estimated liabilities at the balance sheet date. Where conclusive evidence indicates that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

32. Share-Based Payments

√ Applicable ☐ Not applicable

The Company's share-based payments are transactions in which equity instruments are granted or liabilities determined based on equity instruments are incurred to obtain services from employees or other parties. The Company's share-based payments are classified as equity-settled share-based payments and cash-settled share-based payments.

1. Equity-settled share-based payments and equity instruments

Equity-settled share-based payments exchanged for employee services are measured at the fair value of the equity instruments granted. For share-based payment transactions that are immediately exercisable upon grant, the fair value of the equity instruments is recognized as a related cost or expense on the grant date, with a corresponding increase in capital surplus.For share-based payment transactions exercisable only after completion of service during a vesting period or fulfillment of specified performance conditions, the Company recognizes the services received during each balance sheet date of the vesting period as an expense or cost based on the best estimate of the number of exercisable equity instruments, using the grant date fair value, with a corresponding increase in capital surplus.

If the terms of an equity-settled share-based payment are modified, the services acquired are recognized at least as if the terms had not been modified. Additionally, any modification that increases the fair value of the granted equity instruments, or any change favorable to employees at the modification date, results in recognition of additional services acquired.

During the vesting period, if granted equity instruments are canceled, the Company treats the cancellation as accelerated vesting, immediately recognizing the amount that would have been recognized over the remaining vesting period in profit or loss for the period, while also recognizing capital surplus.However, if new equity instruments are granted and the new instruments are deemed to replace the forfeited instruments on the grant date, the replacement instruments shall be accounted for in the same manner as modifications to the original instruments' terms and conditions.

2. Cash-settled share-based payments and equity instruments

Cash-settled share-based payments are measured at the fair value of the liability determined based on the shares or other equity instruments assumed by the Company. For share-based payment transactions that are immediately exercisable upon grant, the Company recognizes the fair value of the liability assumed as a related cost or expense on the grant date, with a corresponding increase in the liability.For share-based payment transactions that become exercisable only after completion of a vesting period or fulfillment of specified performance conditions following grant, the Company recognizes the services received during each balance sheet date within the vesting period as related costs or expenses based on its best estimate of exercisability, at the fair value of the liability it assumes, and records a corresponding liability.The fair value of the liability is remeasured at each balance sheet date prior to settlement and at the settlement date, with any changes recognized in profit or loss for the period.

When the Company modifies the terms and conditions of a cash-settled share-based payment agreement to make it equity-settled, on the modification date (whether occurring during or after the vesting period)the Company measures the equity-settled share-based payment at the fair value of the equity instruments granted on that date. The services received are recognized in capital surplus, while the liability recognized for the cash-settled share-based payment is derecognized on the modification date. The difference between the two is recognized in profit or loss for the period. If the modification extends or shortens the vesting period, the Company accounts for the modified vesting period.

33. Other Financial Instruments such as Preferred Shares and Perpetual Bonds

√ Applicable ☐ Not applicable

The Company classifies the financial instrument or its component as a financial asset, financial liability, or equity instrument at initial recognition based on the contractual terms of the issued preferred shares/perpetual debt and their

economic substance, rather than solely on their legal form.

Classify the financial instrument or its component as a financial asset, financial liability, or equity instrument upon initial recognition.

The Company classifies the entire financial instrument or its component as a financial liability upon initial recognition if the financial instrument issued by the Company (e.g., perpetual debt/preferred stock) meets any of the following conditions:

(1) The Company has a contractual obligation that it cannot unconditionally avoid by delivering cash or other financial assets;

(2) The instrument contains a contractual obligation to settle by delivering a variable number of the issuer's own equity instruments;

(3) Includes derivatives settled in the Company's own equity instruments (e.g., warrants) where such derivatives are not settled by exchanging a fixed number of the Company's own equity instruments for a fixed amount of cash or other financial assets;

(4) The contract contains terms that indirectly create a contractual obligation;

(5) Perpetual debt instruments that rank pari passu with the issuer's ordinary bonds and other liabilities in the event of the issuer's liquidation.

Perpetual debt instruments/preferred shares and other financial instruments that do not meet any of the above criteria shall be classified as equity instruments in their entirety or in their constituent parts upon initial recognition.

34. Revenue

(1). Accounting policies for revenue recognition and measurement disclosed by business type

√ Applicable □ Not applicable

1. Accounting policies for revenue recognition and measurement

The Company recognizes revenue when it fulfills its performance obligations under a contract, i.e., when the customer obtains control of the relevant goods or services. Obtaining control of the relevant goods or services means being able to direct the use of the goods or services and obtain substantially all of the economic benefits from them.

Where a contract contains two or more performance obligations, the Company allocates the transaction price to each performance obligation at the contract commencement date based on the relative proportion of the standalone selling price of the goods or services promised for each obligation. The Company measures revenue based on the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration the Company expects to be entitled to receive for transferring goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company determines the transaction price based on the contract terms and its past practices, considering factors such as variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to customers.The Company determines the transaction price for contracts with variable consideration at an amount not exceeding the cumulative revenue recognized when the related uncertainty is resolved, provided that a significant reversal is highly unlikely. For contracts with significant financing components, the Company determines the transaction price based on the amount that would be payable in cash if the customer obtained control of the goods or services at the time of delivery. The difference between this transaction price and the contract consideration is amortized over the contract period using the effective interest method.

A performance obligation is considered to be satisfied over time if any of the following conditions are met; otherwise, it is considered to be satisfied at a point in time:

:

- The customer obtains and consumes the economic benefits arising from the Company's performance at the same time as the Company performs.
- The customer can control the goods under construction during the Company's performance.

- The goods produced during the Company's performance have a non-substitutable use, and the Company has the right to collect payments for the portion of performance completed to date throughout the contract period.

the portion of the contract completed to date.

For performance obligations fulfilled over time, the Company recognizes revenue over that period based on the stage of completion, except where the stage of completion cannot be reasonably determined. The Company determines the stage of completion using either the output method or the input method, considering the nature of the goods or services. When the stage of completion cannot be reasonably determined, if the costs incurred are expected to be recoverable, the Company recognizes revenue based on the amount of costs incurred until the stage of completion can be reasonably determined.

For performance obligations fulfilled over time, the Company recognizes revenue when the customer obtains control of the relevant goods or services. In determining whether the customer has obtained control, the Company considers the following indicators:

- The Company has a present right to receive payment for the goods or services, meaning the customer has a present obligation to pay for them.
- The Company has transferred legal title of the goods to the customer, meaning the customer has legal ownership of the goods.
- The Company has transferred physical possession of the goods to the customer, meaning the customer has physical possession of the goods.
- The Company has transferred the significant risks and rewards of ownership of the goods to the customer, meaning the customer has assumed the significant risks and rewards of ownership of the goods.
- The customer has accepted the goods or services, etc.

The Company determines its role as principal or agent in a transaction based on whether it retains control over the goods or services prior to their transfer to the customer. If the Company retains control over the goods or services prior to transfer, it acts as principal and recognizes revenue based on the total consideration received or receivable. Otherwise, the Company acts as an agent and recognizes revenue based on the amount of commission or fee it is expected to be entitled to receive.

2. Disclosure of Specific Revenue Recognition Methods and Measurement Approaches by Business Type

The Company's primary business involves the R&D, production, and sales of linear drive system products. Based on downstream application fields, these are categorized into three business segments: smart home drive systems, smart office drive systems, and medical care drive systems. By geographic region, sales are divided into domestic and international operations.Purchase and sales contracts between the Company and its customers typically only include the performance obligation to deliver goods according to agreed standards. This constitutes a point-in-time performance obligation, with revenue recognized when the customer obtains control of the relevant goods. The Company's revenue recognition principles, basis, timing, and methods are detailed as follows:

（1） Domestic Sales: The Company ships goods to customers based on the delivery terms specified in signed sales contracts or purchase orders. Revenue recognition is based on customer receipt confirmation documentation. The product delivery location is the customer's designated site.

（2） International Sales:

Where the agreed product delivery location is the port of shipment, control transfer occurs on the bill of lading date. The Company confirms sales revenue upon obtaining the bill of lading after completing export customs clearance and departure from port, based on the corresponding customs declaration form and bill of lading. Where the agreed product delivery location is the customer's designated destination port, sales revenue is recognized upon delivery of the bill of lading after completing customs clearance procedures, based on the customs clearance documentation.Where the agreed delivery location is a customer-designated overseas destination warehouse, sales revenue is recognized upon customer signature of receipt.

(2). Different business models for similar transactions involve distinct revenue recognition methods and measurement approaches.

□ Applicable √ Not Applicable

35. Contract Costs

√ Applicable □ Not Applicable

Contract costs include contract fulfillment costs and contract acquisition costs.

Costs incurred by the Company to fulfill a contract, which do not fall within the scope of relevant standards such as inventory, fixed assets, or intangible assets, are recognized as an asset under contract fulfillment costs when the following conditions are met:

- The cost is directly attributable to a current or expected contract.
- The cost increases the resources available to the Company for fulfilling its performance obligations in the future.
- The costs are expected to be recoverable.

Incremental costs incurred by the Company to obtain a contract are recognized as an asset if their recovery is expected. Assets related to contract costs are amortized on the same basis as the revenue recognition for the related goods or services; however

For contract acquisition costs with an amortization period not exceeding one year, the Company recognizes them in profit or loss when incurred.

For assets related to contract costs, if the carrying amount exceeds the difference between the following two items, the Company recognizes an impairment loss on the excess amount as an asset impairment loss:

1. The remaining consideration expected to be received from the transfer of the goods or services related to the asset;

2. The estimated costs to be incurred in transferring the related goods or services.

If factors that caused impairment in prior periods subsequently change such that the aforementioned difference exceeds the asset's carrying amount, the Company reverses the previously recognized impairment loss and recognizes it in profit or loss for the period. However, the asset's carrying amount after reversal shall not exceed the carrying amount that would have been recognized for the asset on the reversal date had no impairment loss been recognized.

36. Government Grants

√ Applicable □ Not

Applicable

1. Type

Government grants are monetary or non-monetary assets received by the Company from the government without consideration. They are classified as asset-related government grants and income-related government grants.

Asset-related government grants refer to grants received by the Company for the acquisition, construction, or other formation of long-term assets. Income-related government grants refer to grants other than those classified as asset-related.

The Company classifies government grants as income-related based on the following specific criteria: Any government grant received that is not classified as asset-related is classified as income-related.

For government grants where the recipient is not explicitly specified in the official documentation, the Company classifies such grants as asset-related or income-related based on whether they are used to construct, acquire, or otherwise form long-term assets.

2. Recognition Timing

Government grants are recognized when the Company can satisfy the conditions attached to them and is able to receive them.

3. Accounting Treatment

Asset-related government grants are deducted from the carrying amount of the related asset or recognized as deferred income. When recognized as deferred income, it is allocated over the useful life of the related asset using a reasonable and systematic method and recognized in profit or loss for the period (classified as other income if related to the Company's ordinary activities; classified as non-operating income if unrelated to the Company's ordinary activities)

Government grants related to income that compensate for future costs, expenses, or losses incurred by the Company are recognized as deferred income. They are recognized in profit or loss in the period when the related costs, expenses, or losses are recognized (if related to the Company's ordinary activities, recognized in other income;if unrelated to the Company's ordinary activities, recognized as non-operating income) or offset against related costs, expenses, or losses; those compensating for costs, expenses, or losses already incurred by the Company are directly recognized in profit or loss for the period (if related to the Company's ordinary activities, recognized as other income; if unrelated to the Company's ordinary activities, recognized as non-operating income) or offset against related costs, expenses, or losses.

The Company's policy-based preferential loan interest subsidies shall be accounted for separately under the following two scenarios:

(1) Where the finance department allocates the interest subsidy funds to the lending bank, which then provides loans to the Company at the preferential policy interest rate, the Company shall record the actual amount of funds received as the carrying amount of the loan and calculate the related borrowing costs based on the principal amount of the loan and the preferential policy interest rate.

(2) Where the fiscal authority disburses the interest subsidy funds directly to the Company, the Company shall offset the corresponding interest subsidy against the related borrowing costs.

37. Deferred Income Tax Assets/Deferred Income Tax Liabilities

√ Applicable ☐ Not applicable

Income tax comprises current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events recognized directly in equity (including other comprehensive income), the Company recognizes current income tax and deferred income tax in profit or loss for the period.

Deferred income tax assets and liabilities are recognized based on the difference between the tax basis and the carrying amount of assets and liabilities (temporary differences).

For deductible temporary differences, deferred tax assets are recognized to the extent that it is probable that taxable income will be available in future periods to utilize the deductible temporary differences. For tax loss carryforwards and tax credits that can be carried forward to future years, deferred tax assets are recognized to the extent that it is probable that future taxable income will be available to utilize the tax loss carryforwards and tax credits.

For taxable temporary differences, deferred tax liabilities are recognized except in specific circumstances. Specific circumstances where deferred tax assets or liabilities are not recognized include:

- Initial recognition of goodwill;
- Transactions or events that neither result from a business combination nor affect accounting profit and taxable income (or deductible losses) at the time of occurrence, and where the initially recognized assets and liabilities do not give rise to equal taxable temporary differences and deductible temporary differences.

For taxable temporary differences related to investments in subsidiaries, associates, and joint ventures, a deferred tax liability is recognized unless the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.For deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, a deferred tax asset is recognized when it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable income will be available in the future against which the deductible temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the applicable tax rate for the period in which the related assets are expected to be recovered or the related liabilities are expected to be settled, in accordance with tax laws.

At the balance sheet date, the Company reviews the carrying amount of deferred tax assets. If it becomes probable that sufficient taxable income will not be available in future periods to utilize the benefits of the deferred tax assets, the carrying amount of the deferred tax assets is written down. When it becomes probable that sufficient taxable income will be available, the amount written down is reversed.

Current income tax assets and current income tax liabilities are reported net of each other when there is a legally enforceable right to net settlement and an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

At the balance sheet date, deferred tax assets and deferred tax liabilities are reported on a net basis when the following conditions are simultaneously met:

:

- The taxpayer has a legally enforceable right to net current tax assets and current tax liabilities;
- The deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxpayer

or relate to different taxpayers, but are expected to be settled on a net basis in the future.

, the entities involved intend to settle current income tax assets and liabilities on a net basis or simultaneously realize the asset and settle the liability.

38. Leases

√ Applicable ☐Not Applicable

A lease is a contract in which the lessor grants the lessee the right to use an asset for a period of time in exchange for consideration. At the contract commencement date, the Company assesses whether the contract is a lease or contains a lease. If one party transfers the right to use one or more identified assets for a period of time in exchange for consideration, the contract is a lease or contains a lease.

or more identifiable assets for a period of time in exchange for consideration, the contract is a lease or contains a lease.

When a contract contains multiple separate leases, the Company separates the contract and accounts for each separate lease individually. When a contract contains both lease and non-lease components, the lessee and lessor separate the lease and non-lease components.

Criteria and Accounting Treatment for Simplified Accounting of Short-Term Leases and Low-Value Asset Leases as a Lessee

√ Applicable □ Not applicable

(1) Right-of-Use Assets

At the commencement date of the lease term, the Company recognizes right-of-use assets for leases other than short-term leases and leases of low-value assets. Right-of-use assets are initially measured at cost. This cost includes:

- The initial measurement amount of the lease liability;
- Lease payments made on or before the lease commencement date, less the amount of any lease incentives received;
- Initial direct costs incurred by the Company;

The Company's estimated costs to dismantle and remove the leased asset, restore the site where the leased asset is located, or return the leased asset to the condition required by the lease terms, excluding costs incurred for the production of inventory.

The Company subsequently depreciates right-of-use assets using the straight-line method. Where it can be reasonably determined that ownership of the leased asset will be obtained at the end of the lease term, the Company depreciates the asset over its remaining useful life. Otherwise, the asset is depreciated over the shorter of the lease term and its remaining useful life.

The Company determines whether a right-of-use asset is impaired and accounts for any identified impairment loss in accordance with the principles described in Note V - 27 Impairment of Non-current Assets.

(2) Lease Liabilities

At the commencement date of the lease term, the Company recognizes a lease liability for leases other than short-term leases and leases of low-value assets. The lease liability is initially measured at the present value of the lease payments not yet paid. Lease payments include:

- Fixed payments (including payments that are effectively fixed) less any lease incentives received;
- Variable lease payments that depend on an index or ratio;
- Estimated payments based on the residual value guaranteed by the Company;
- The exercise price of a purchase option, provided the Company reasonably determines it will exercise the option;
- The amount payable to exercise a termination option, provided the lease term reflects the company's intention to exercise such option. The company uses the implicit interest rate in the lease as the discount rate. However, if the implicit interest rate cannot be reasonably determined, the incremental borrowing rate of the company is used as the discount rate.

incremental borrowing rate as the discount rate.

The Company calculates interest expense on the lease liability for each period of the lease term at a fixed periodic rate and recognizes it in profit or loss for the period or in the cost of the related asset.

Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss or in the cost of the related asset when incurred.

After the commencement date of the lease term, the Company re-measures the lease liability and adjusts the corresponding right-of-use asset if any of the following circumstances occur. If the carrying amount of the right-of-use asset has been reduced to zero but the lease liability still requires further reduction, the difference is recognized in profit or loss for the period:

- When the assessment of purchase options, renewal options, or termination options changes, or when the actual exercise of such options differs from the original assessment, the Company remeasures the lease liability based

on the present value calculated using the revised lease payments and the updated discount rate;

- When there is a change in the amount of the substantive fixed payments, the estimated amount payable for the residual value guarantee, or the index or ratio used to determine the lease payments

, the Company remeasures the lease liability at the present value of the revised lease payments using the original discount rate. However, if the change in lease payments stems from a change in the floating interest rate, the present value is calculated using the revised discount rate.

(3) Short-term leases and leases of low-value assets

The Company elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Instead, the related lease payments are recognized in profit or loss or in the cost of related assets on a straight-line basis over the lease term.A short-term lease is defined as a lease with a lease term not exceeding 12 months at the commencement date and without a purchase option. A low-value asset lease is defined as a lease where the individual leased asset is of low value when new. If the Company subleases or expects to sublease the leased asset, the original lease does not qualify as a low-value asset lease.

(4) Lease Modifications

If a lease modification occurs and simultaneously meets the following conditions, the Company accounts for the lease modification as a separate lease:

- The modification expands the scope of the lease by adding one or more leasehold assets;
- The additional consideration is equivalent to the separate price for the expanded portion of the lease scope, adjusted for the specific circumstances of the contract.

If a lease modification is not accounted for as a separate lease, the company shall reallocate the consideration for the modified contract, redefine the lease term, and remeasure the lease liability at the present value of the modified lease payments using the revised discount rate as of the effective date of the modification.

Where a lease modification reduces the scope of the lease or shortens the lease term, the Company reduces the carrying amount of the right-of-use asset accordingly and recognizes the related gain or loss from partial or full termination of the lease in profit or loss for the period. Where other lease modifications result in the remeasurement of the lease liability, the Company adjusts the carrying amount of the right-of-use asset accordingly.

(5) Sale-and-Leaseback Transactions

Where the asset transfer in a sale-and-leaseback transaction constitutes a sale, the Company, as the lessee, measures the right-of-use asset arising from the sale-and-leaseback transaction based on the portion of the original asset's carrying amount related to the right-of-use obtained under the lease. The Company recognizes any related gain or loss solely on the rights transferred to the lessor.

For subsequent measurement of the right-of-use asset and lease liability after the commencement date of the lease term, as well as lease modifications, refer to "V. 38 Basis for Determining Simplified Accounting for Short-Term Leases and Leases of Low-Value Assets as a Lessee and Accounting Treatment" in this note.When subsequently measuring the lease liability arising from a sale-and-leaseback transaction, the Company determines that the method of determining the lease payments or modified lease payments does not result in the recognition of a gain or loss related to the right-of-use acquired under the leaseback.

Where the asset transfer in a sale-and-leaseback transaction does not qualify as a sale, the Company continues to recognize the transferred asset as a lessee while recognizing a financial liability equal to the transfer proceeds. The accounting treatment for the financial liability is detailed in Note V.11 Financial Instruments.

Lease Classification Criteria and Accounting Treatment as Lessor

√ Applicable □ Not Applicable

At the lease commencement date, the Company classifies leases as finance leases or operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset, regardless of whether ownership ultimately transfers. An operating lease is any lease other than a finance lease. When the Company acts as a sublessor, it classifies the sublease based on the right-of-use asset arising from the original lease.

(1) Accounting Treatment for Operating Leases

Operating lease payments are recognized as rental income on a straight-line basis over the lease term.The Company capitalizes initial direct costs incurred in connection with operating leases and allocates them to profit or loss over the lease term on the same basis as the recognition of rental income. Variable lease payments not included

in the lease payments are recognized in profit or loss when incurred. If an operating lease is modified, the Company accounts for the modified lease as a new lease from the effective date of the modification. Prepaid or receivable lease payments related to the pre-modification lease are treated as payments received for the new lease.

are treated as receipts under the new lease.

(2) Accounting for Finance Leases

At the commencement date of the lease, the Company recognizes a receivable for the finance lease and derecognizes the finance lease asset. When initially measuring the receivable for the finance lease, the Company uses the net lease investment as the carrying amount of the receivable. The net lease investment is the sum of the unguaranteed residual value and the present value of lease payments not yet received at the commencement date of the lease term, discounted at the implicit interest rate of the lease.

The Company calculates and recognizes interest income for each period during the lease term using a fixed periodic interest rate. The derecognition and impairment of finance lease receivables are accounted for in accordance with Note V.11 Financial Instruments.

Variable lease payments not included in the net investment in the lease are recognized in profit or loss when incurred.

The Company accounts for changes to finance leases as separate leases when all of the following conditions are met:

- The modification expands the scope of the lease by adding one or more lease assets;
- The additional consideration is equivalent to the adjusted contract price for the expanded portion of the lease scope.

If a change in a finance lease is not accounted for as a separate lease, the Company treats the modified lease as follows:

- If the modification takes effect on the lease commencement date and the lease would be classified as an operating lease, the Company accounts for it as a new lease from the effective date of the modification, using the net investment in the lease prior to the modification as the carrying amount of the leased asset;
- If the modification takes effect on the lease commencement date and the lease would be classified as a finance lease, the Company accounts for the modified lease in accordance with the policies for modifying or renegotiating contracts described in Note V.

11 Financial Instruments" regarding policies for modifying or renegotiating contracts.

(3) Sale-and-Leaseback Transactions

Where the asset transfer in a sale-and-leaseback transaction constitutes a sale, the Company accounts for the asset purchase as a lessor and accounts for the asset lease in accordance with the policies set forth in the preceding section ''Lease Classification Criteria and Accounting Treatment as Lessor'' . Where the asset transfer in a sale-and-leaseback transaction does not constitute a sale, the Company, as the lessor, does not recognize the transferred asset but recognizes a financial asset equal to the transfer proceeds.For the accounting treatment of financial assets, please refer to Section ''V. 11 Financial Instruments'' of this note.

39. Other Significant Accounting Policies and Estimates

☐ Applicable √ Not Applicable

40. Changes in Significant Accounting Policies and Estimates

(1). Changes in Significant Accounting Policies

√ Applicable ☐Not applicable

Unit: Yuan Currency: Renminbi

Details and Reasons for Accounting Policy Change	Financial Statements Affected Name of affected statement item	Impact Amount
Implementation of Interpretation No. 17 of the Accounting Standards for Business Enterprises	None	0
Implementation of Interpretation No. 18 of the Accounting Standards for Business Enterprises	None	0

Other Notes:
None

(2). Changes in Significant Accounting Estimates

☐Applicable √Not Applicable

(3).

☐Applicable √Not applicable

41. Other

☐Applicable √

Not **applicable VI.**

Tax Items

1. Major Tax Categories and Rates

Major Tax Categories and Rates

√ Applicable ☐ Not Applicable

Tax Type	Tax Base	Tax Rate
Value-Added Tax	Output tax is calculated based on the revenue from the sale of goods and taxable services as determined by tax laws. After deducting the input tax credits allowed for the current period, the difference constitutes the output tax payable. input tax credits for the current period. The difference constitutes the VAT payable.	9%, 10%, 13%, 19%, 20%
Urban Maintenance and Construction Tax	Calculated based on the actual amount of VAT and consumption tax paid	5%
Corporate Income Tax	Calculated based on taxable income	15%,16.5%,17%,21%,23.2%, 24%, 25%, 26%, 31.23%
Education Surcharge	Calculated based on actual VAT and consumption tax paid	3%
Local Education Surcharge	Calculated based on actual VAT and consumption tax paid	2%

Where taxpayers are subject to different corporate income tax rates, disclose the relevant circumstances.

√ Applicable ☐ Not Applicable

Name of Taxpayer	Income Tax Rate (%)
J-STAR MOTION CORPORATION	Note 1
JIECANG EUROPE GMBH	31.23
J-STAR Corporation	23.2
Xinchang County Jiecang Import & Export Co., Ltd.	25
J-STAR MOTION SDN. BHD.	24
JIECANG PVT LTD	26
Zhejiang Shiyou Drive Technology Co., Ltd.	25
J-STAR MOTION (SINGAPORE) PTE. LTD	17
Logic Endeavor Group GmbH	25
LOGICDATA Electronic & Software Entwicklungs GmbH	25
LOGICDATA North America, Inc.	Note 1
METMO s.r.o.	25
Zhuhai Logicdata Electromechanical Co., Ltd.	25
LogicData International	25
Logicdata Asia Limited	16.5

Note 1: U.S. corporate income tax consists of federal tax and state tax. The federal tax rate is 21%, while state taxes apply local rates. **2. Tax Incentives**

√ Applicable ☐ Not applicable

1. Pursuant to the "Administrative Measures for the Recognition of High-Tech Enterprises" (Guokefa Huo [2016] No. 32) and the "Guidelines for the Administration of High-Tech Enterprise Recognition" (Guokefa Huo [2016] No. 195), the company

obtained the High-Tech Enterprise Recognition Certificate (Certificate No. GR2023) on December 8, 2023.

Guidance on High-Tech Enterprise Recognition (Guokefahuo [2016] No. 195), the Company obtained its High-Tech Enterprise Recognition Certificate (Certificate No. GR202333002713) on December 8, 2023, with a validity period of 3 years. The Company paid corporate income tax at a 15% rate for the 2024 fiscal year.

2. In accordance with the relevant provisions of the "High-Tech Enterprise Recognition Management Measures" (Guokefa Huo [2016] No. 32) and the "High-Tech Enterprise Recognition Management Work Guidelines" (Guokefa Huo [2016] No. 195), the subsidiary Ningbo Haishikai Drive Technology Co., Ltd. obtained the high-tech enterprise recognition certificate on December 8, 2022 (Certificate No. GR202333002713), with a validity period of three years. The company will pay corporate income tax at a rate of 15% for the 2024 fiscal year.

On December 1, 2022, the company obtained the High-Tech Enterprise Certification (Certificate No. GR202233101352) valid for three years. The company will pay corporate income tax at a 15% rate for the 2024 fiscal year.

3. In accordance with the relevant provisions of the "High-Tech Enterprise Recognition Management Measures" (Guokefa Huo [2016] No. 32) and the "High-Tech Enterprise Recognition Management Work Guidelines" (Guokefa Huo [2016] No. 195), the subsidiary Zhejiang Juyou Intelligent Technology Co., Ltd. obtained the High-Tech Enterprise Recognition Certificate (Certificate No. GR202233001003) on December 24, 2022, with a validity period of three years. The company will pay corporate income tax at a rate of 15% for the 2024 fiscal year.

The certificate is valid for 3 years. The Company will pay corporate income tax at a 15% rate for the 2024 fiscal year.

4. In accordance with the relevant provisions of the "High-Tech Enterprise Recognition Management Measures" (Guoke Fa Huo [2016] No. 32) and the "High-Tech Enterprise Recognition Management Guidelines" (Guoke Fa Huo [2016] No. 195), the subsidiary Zhejiang Zhiyou Automobile Technology Co., Ltd. obtained the High-Tech Enterprise Recognition Certificate (Certificate No. GR202333004680) on December 8, 2022

December 8, 2022, with a validity period of 3 years. The Company will pay corporate income tax at a rate of 15% for the 2024 fiscal year.

5. Pursuant to the relevant provisions of the Notice on Value-Added Tax Policies for Software Products (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Taxation Administration, the Company enjoys a tax rebate policy for the portion of the actual VAT burden exceeding 3% when selling self-developed and produced software products.

3. Other

☐ Applicable √ Not Applicable

VII. Notes to Consolidated Financial Statements Items

1. Cash and Cash Equivalents

√ Applicable ☐ Not applicable

Unit: RMB Currency: Renminbi

Item	Ending Balance	Opening Balance
Cash on Hand	132,346.43	125,168.37
Digital Currency	103,404.13	176,249.75
Bank Deposits	1,892,995,565.61	2,075,921,669.06
Other monetary funds	111,949,225.64	41,050,355.77
Total	2,005,180,541.81	2,117,273,442.95
Of which: Total funds deposited overseas	450,032,478.43	411,289,486.15

Other Notes:
None

2. Trading Financial Assets

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance	Reason and Basis for Designation
Measured at fair value with changes recognized in	179,025,295.09	8,863,781.75	

Financial Assets at Fair Value Through Profit or Loss			
Including:			
Derivative financial assets	859,626.24	1,396,437.67	
Contingent consideration from equity transactions	7,441,119.06	7,467,344.08	
Wealth management products	170,724,649.79		
Total	179,025,395.09	8,863,781.75	

Additional Notes:

☐ Applicable √ Not Applicable

3. Derivative Financial Assets

☐Applicable √Not Applicable

4. Notes Receivable

(1). Classification of Notes Receivable

√Applicable ☐Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance
Bank Accepted Notes	9,937,817.24	33,647,606.00
Commercial Accepted Notes		954,399.72
Total	9,937,817.24	34,602,005.72

(2). Notes receivable pledged by the company at the end of the period

☐ Applicable √ Not Applicable

(3). Notes receivable endorsed or discounted by the company at the end of the period that were not yet due on the balance sheet date

√ Applicable ☐ Not applicable

Unit: RMB Currency: Renminbi

Item	Amount derecognized at period end	Amount not derecognized at end of period
Bank Accepted Bills		8,947,023.02
Total		8,947,023.02

(4). Classified Disclosure by Bad Debt Provision Method

☐Applicable ☐Not Applicable

Unit: RMB Currency: Renminbi

Category	Ending Balance					Beginning Balance				
	Book Balance		Allowance for Doubtful Accounts		Book Value	Book Balance		Allowance for Doubtful Accounts		Book value
	Amount	Percentage (%)	Amount	Provision Ratio (%)		Amount	Ratio (%)	Amount	Provision Ratio (%)	
Individual Bad Debt Provision Method										
Collective Allowance for Doubtful Accounts Provision	9,937,817.24	100.00			9,937,817.24	34,652,237.28	100.00	50,231.56	0.14	34,602,005.72
Of which:										
Bank Accepted Bills	9,937,817.24	100.00			9,937,817.24	33,647,606.00	97.10			33,647,606.00
Commercial Accepted Bills						1,004,631.28	2.90	50,231.56	5.00	954,399.72
Total	9,937,817.24	100.00			9,937,817.24	34,652,237.28	100.00	50,231.56	/	34,602,005.72

Individual Bad Debt Provision:

☐ Applicable √ Not Applicable

Collectively-assessed bad debt provision:

☐ Applicable √ Not applicable

Provisioning for bad debts based on the expected credit loss general model:

☐Applicable √Not applicable

Criteria for stage classification and bad debt provision ratios: Not applicable

Explanation of significant changes in the carrying amount of notes receivable resulting in changes to loss provisions for the current period:

☐Applicable √Not applicable

(5). Status of Allowance for Doubtful Accounts

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Category	Opening Balance	Current Period Change				Ending Balance
		Accrued	Recovered or Reversed	Write-off or Write-down	Other Changes	
Commercial Accepted Bills	50,231.56		50,231.56			
Total	50,231.56		50,231.56			

Significant amounts of bad debt provision recovered or reversed during the current period:

☐ Applicable √ Not applicable

Other Notes:
None

(6). Actual write-offs of notes receivable during the current period

☐ Applicable √ Not applicable

Significant write-offs of notes receivable:

☐Applicable √Not applicable

Explanation of Write-off of Notes Receivable:

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not Applicable

5. Accounts Receivable

(1). Disclosed by aging

√ Applicable ☐ Not Applicable

Unit: CNY Currency: Renminbi

Accounts Receivable Aging	Balance at End of Period	Opening Balance
Within 1 year	633,693,554.83	468,002,163.40
Subtotal within 1 year	633,693,554.83	468,002,163.40
1 to 2 years	2,818,575.60	7,985,063.27
2 to 3 years	1,950,322.56	3,151,147.10
Over 3 years	147,679.50	
Total	638,610,132.49	479,138,373.77

(2). Classified Disclosure by Bad Debt Provision Method

√ Applicable □ Not Applicable

Unit: RMB Currency: Renminbi

Category	Ending Balance					Beginning Balance				
	Book Balance		Allowance for Doubtful Accounts		Book Value	Book Balance		Allowance for Doubtful Accounts		Book value
	Amount	Percentage (%)	Amount	Provision Ratio (%)		Amount	Ratio (%)	Amount	Provision Ratio (%)	
Individual Allowance Method Provision										
Of which:										
Portfolio-based provisioning Provision	638,610,132.49	100.00	33,371,233.71	5.23	605,238,898.78	479,138,373.77	100.00	26,472,604.71	5.53	452,665,769.06
Of which:										
Ageing Profile	638,610,132.49	100.00	33,371,233.71	5.23	605,238,898.78	479,138,373.77	100.00	26,472,604.71	5.53	452,665,769.06
Total	638,610,132.49	/	33,371,233.71	/	605,238,898.78	479,138,373.77	/	26,472,604.71	/	452,665,769.06

Provision for bad debts made on an item-by-item basis:

☐ Applicable √ Not applicable

Collectively-based allowance for doubtful accounts:

√ Applicable ☐ Not applicable

Portfolio-based provisioning items: Ageing portfolio

Unit: Yuan Currency: Renminbi

Name	Ending Balance		
	Accounts Receivable	Allowance for Doubtful Accounts	Allowance Percentage (%)
Within 1 Year	633,693,554.83	31,684,677.81	5.00
1 to 2 years	2,818,575.60	563,715.12	20.00
2 to 3 years	1,950,322.56	975,161.28	50.00
Over 3 years	147,679.50	147,679.50	100.00
Total	638,610,132.49	33,371,233.71	/

Notes on Provision for Bad Debts by Portfolio:

☐ Applicable √ Not applicable

Provision for bad debts based on the expected credit loss general model

☐Applicable √Not applicable

Criteria for stage classification and provisioning ratios: Not applicable

Explanation of significant changes in the carrying amount of accounts receivable for which loss provisions changed during the current period:

☐Applicable √Not applicable

(3). Status of Allowance for Doubtful Accounts

√Applicable ☐Not applicable

Unit: Yuan Currency: Renminbi

Category	Opening Balance	Current Period Change				Ending Balance
		Accrued	Recovered or Reversal	Write-off or Write-down	Other Changes Movements	
Ageing Portfolio	26,472,604.71	7,108,331.32		209,702.32		33,371,233.71
Total	26,472,604.71	7,108,331.32		209,702.32		33,371,233.71

Significant amounts of bad debt provisions recovered or reversed during the current period:

☐ Applicable √ Not Applicable

Other Notes:
None

(4). Actual write-offs of accounts receivable during the current period

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Amount Written Off
Actual Write-off of Accounts Receivable	209,702.32

Details of Significant Accounts Receivable Write-offs

☐ Applicable √ Not Applicable

Accounts Receivable Write-off Explanation:

☐ Applicable √ Not Applicable

(5). Top five accounts receivable and contract assets by debtor at period-end

√ Applicable ☐ Not applicable

Unit: RMB Currency: Renminbi

Company Name	Accounts Receivable - Ending Balance	Contract Assets Balance at End of Period	Balance of Accounts Receivable and Contract Assets at End of Period	Percentage of Total Balance of Accounts Receivable and Contract Assets at End of Period (%)	Balance of Allowance for Doubtful Accounts at End of Period
Unit 1	34,263,130.20		34,263,130.20	4.94	1,713,156.51
Unit Two	29,544,364.99		29,544,364.99	4.26	1,477,218.25
Unit Three	28,050,652.62		28,050,652.62	4.04	1,402,532.63
Unit Four	25,370,063.25		25,370,063.25	3.66	1,268,503.16
Unit Five	25,059,419.50		25,059,419.50	3.61	1,252,970.98
Total	142,287,630.56		142,287,630.56	20.51	7,114,381.53

Other Notes:
None

Other Notes:

☐Applicable √ Not applicable

6. Contract Assets

(1). Contract Assets

Status

Unit: Yuan Currency: Renminbi

√ Applicable □ Not Applicable Item	Ending Balance			Opening Balance		
	Book Balance	Allowance for Doubtful Accounts	Book Value	Book Balance	Allowance for Doubtful Accounts	Book value
Progress Payments and Warranty Deposits	54,817,912.75	6,328,834.26	48,489,078.49	23,919,590.80	1,195,979.54	22,723,611.26
Total	54,817,912.75	6,328,834.26	48,489,078.49	23,919,590.80	1,195,979.54	22,723,611.26

(2). Amount and reason for significant changes in book value during the reporting period

Unit: RMB Currency: Renminbi

√ Applicable □ Not Applicable Item	Amount of Change	Reason for Change
Progress Payment and Retention Deposit	30,898,321.95	Increased sales of industrial push rods
Total	30,898,321.95	/

(3). Disclosure by Bad Debt Provision Method

Unit: Yuan Currency: Renminbi

√ Applicable □ Not Applicable Category	Ending Balance					Beginning Balance				
	Book Balance		Allowance for Doubtful Accounts		Book Value	Book Balance		Allowance for Doubtful Accounts		Book value
	Amount	Ratio (%)	Amount	Accrual Ratio (%)		Amount	Ratio (%)	Amount	Provision Ratio (%)	
Individual Loan Loss Reserve Provision										
Of which:										
Collectively-Impaired	54,817,912.75	100.00	6,328,834.26	11.55	48,489,078.49	23,919,590.80	100.00	1,195,979.54	5.00	22,723,611.26

Accounting reserve										
Of which:										
Ageing Analysis	54,817,912.75	100.00	6,328,834.26	11.55	48,489,078.49	23,919,590.80	100.00	1,195,979.54	5.00	22,723,611.26
Total	54,817,912.75	/	6,328,834.26	/	48,489,078.49	23,919,590.80	/	1,195,979.54	/	22,723,611.26

Provision for bad debts calculated on an individual basis:

☐ Applicable √ Not applicable

Explanation for individual bad debt provisioning:

☐ Applicable √ Not applicable

Collective impairment allowance:

√ Applicable ☐Not applicable

Portfolio-based provisioning items: Ageing portfolio

Unit: Yuan Currency: Renminbi

Name	Ending Balance		
	Contract Assets	Allowance for Doubtful Accounts	Allowance Ratio (%)
Aging Schedule	54,817,912.75	6,328,834.26	11.55
Total	54,817,912.75	6,328,834.26	11.55

Notes on Provision for Bad Debts by Portfolio

☐ Applicable √ Not applicable

Provision for bad debts based on the expected credit loss general model

☐Applicable √ Not applicable

Criteria for Stage Classification and Allowance Proportioning Ratios: Not applicable

Explanation of significant changes in the carrying amount of contract assets for which loss provisions changed during the current period:

☐Applicable √ Not applicable

(4). Provisioning for bad debts on contract assets during the current period

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Opening Balance	Current Period Change				Ending Balance	Reason
		Current Period Accrual	Current Period Recovery or Transfer Reversed	Current Period Write-off/Write-back	Other Changes		
Progress payments and warranty deposits	1,195,979.54	5,132,854.72				6,328,834.26	
Total	1,195,979.54	5,132,854.72				6,328,834.26	

Significant amounts of bad debt provision recovered or reversed during the current period:

☐ Applicable √ Not applicable

Other Notes:

None

(5). Actual contract assets written off during the current period

☐ Applicable √ Not applicable

Status of Write-offs for Significant Contract Assets

☐ Applicable √ Not Applicable

Contract Asset Write-off Explanation:

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not Applicable

7. Receivables Financing

(1). Classification of Accounts Receivable Financing

√Applicable ☐Not Applicable

Unit: Yuan Currency: Renminbi

Item	Balance at End of Period	Opening Balance
Bank Accepted Bills	1,651,152.56	19,095,661.03
Total	1,651,152.56	19,095,661.03

(2). Financing of Accounts Receivable Pledged by the Company at the End of the Period

☐ Applicable √ Not Applicable

(3). Receivables financing endorsed or discounted by the company at the end of the period and not yet due on the balance sheet date

√ Applicable ☐ Not applicable

Unit: RMB Currency: Renminbi

Item	Amount derecognized at period end	Amount not derecognized at end of period
Bank Accepted Bills	32,761,404.06	
Total	32,761,404.06	

(4). Disclosure by Bad Debt Provision Method

☐ Applicable √ Not applicable

Individual bad debt provisioning:

☐ Applicable √ Not applicable

Explanation of individual bad debt provisioning:

☐Applicable √Not applicable

Collective impairment allowance:

☐Applicable √Not applicable

Provisioning for bad debts using the expected credit loss general model

☐Applicable √Not applicable

Criteria for stage classification and bad debt provision ratios: Not applicable

Explanation of significant changes in the carrying amount of receivables financing for which loss provisions changed during the current period:

☐Applicable √Not applicable

(5). Status of Allowance for Doubtful Accounts

☐Applicable √Not applicable

Where the amount of bad debt provision recovered or reversed in the current period is material:

☐ Applicable √ Not applicable

Other Notes:
None

(6). Actual write-offs of receivables financing during the current period

☐Applicable √Not applicable

Significant write-offs related to receivables financing:

☐Applicable √Not applicable

Write-off Explanation:

☐ Applicable √ Not Applicable

(7). Changes in Accounts Receivable Financing During the Period and Fair Value Adjustments:

√ Applicable ☐ Not applicable

Item	Balance at End of Previous Year	Current Period Additions	Derecognized During Current Period	Other Changes	Balance at End of Period	Accumulated in other comprehensive income Loss provisions recognized in other comprehensive income
Bank Accepted Bills	19,095,661.03	163,763,411.16	181,207,919.63		1,651,152.56	
Total	19,095,661.03	163,763,411.16	181,207,919.63		1,651,152.56	

(8). Other Notes

☐ Applicable √

Not Applicable **8.**

Prepayments

(1). Prepayments are presented by aging.

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Account Age	Ending Balance		Opening Balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	12,838,441.84	98.58	13,181,714.94	100.00
1 to 2 years	184,746.35	1.42		
2 to 3 years				
Over 3 years				
Total	13,023,188.19	100.00	13,181,714.94	100.00

Reasons for failure to settle prepayments with aging over 1 year and material amounts: Not applicable

(2). Top five prepayments by payee at the end of the period

√ Applicable ☐ Not applicable

Unit: CNY Currency: Renminbi

Entity Name	Ending Balance	Percentage of Total Prepayments at End of Period (%)
Entity 1	1,000,000.00	7.68
Unit 2	460,708.88	3.54
Unit 3	450,000.00	3.46
Unit 4	343,015.99	2.63
Unit 5	325,297.30	2.50
Total	2,579,022.17	19.81

Other Notes:
None

Other Notes:

☐Applicable √ Not applicable

9. Other Receivables

Item Listing

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance
Other Receivables	75,396,918.17	36,981,955.47
Total	75,396,918.17	36,981,955.47

Other Notes:

☐ Applicable √ Not Applicable

Interest Receivable

(1). Classification of Interest Receivable

☐ Applicable √ Not Applicable

(2). Significantly Past-Due Interest

☐Applicable √Not Applicable

(3). Classification Disclosure by Bad Debt Provision Method

☐Applicable √Not Applicable

Individual bad debt provisioning:

☐Applicable √Not applicable

Explanation of individual bad debt provisioning:

☐Applicable √Not applicable

Collective impairment allowance:

☐Applicable √Not applicable

(4). Provisioning for bad debts using the expected credit loss general model

☐Applicable √Not applicable

Criteria for stage classification and bad debt provision ratios: Not applicable

Explanation of significant changes in the carrying amount of interest receivable resulting in changes to loss provisions for the current period:

☐Applicable √Not applicable

(5). Status of Allowance for Doubtful Accounts

☐Applicable √Not applicable

Where the amount of bad debt provision recovered or reversed in the current period is material:

☐ Applicable √ Not applicable

Other Notes:
None

(6). Actual interest receivable written off during the current period

☐Applicable √Not applicable

Significant interest receivable write-offs during the period

☐Applicable √Not applicable

Write-off Explanation:

☐ Applicable √ Not Applicable

Other Notes:

☐Applicable √ Not applicable

Dividends

Receivable (1).

Dividends

Receivable

☐Applicable √Not applicable

(2). Significant accounts receivable for dividends over 1 year old

☐Applicable √Not applicable

(3). Classified disclosure by bad debt provisioning method

☐Applicable √Not applicable

Individual bad debt provisioning:

□Applicable √Not applicable

Explanation of individual bad debt provisioning:

☐Applicable √Not applicable

Collective impairment allowance:

☐Applicable √Not applicable

(4). Provisioning for bad debts using the expected credit loss general model

☐Applicable √Not applicable

Criteria for stage classification and provisioning ratios: Not applicable

Explanation of significant changes in the carrying amount of receivable dividends resulting from loss provision adjustments during the current period:

☐Applicable √Not applicable

(5). Status of Allowance for Doubtful Accounts

☐Applicable √Not applicable

Significant amounts of bad debt provisions recovered or reversed during the current period:

☐ Applicable √ Not applicable

Other Notes:
None

(6). Actual write-offs of dividends receivable during the current period

☐Applicable √Not applicable

Significant write-offs of dividends receivable:

☐Applicable √Not applicable

Write-off Explanation:

☐ Applicable √ Not applicable

Other Notes:

☐ Applicable √ Not Applicable

Other Receivables

(1). Disclosed by aging

√Applicable ☐Not applicable

Unit: Yuan Currency: Renminbi

Accounts Receivable Aging	Balance at End of Period	Opening Balance
Within 1 year		
Of which: Breakdown within 1 year		
Within 1 year	70,548,814.26	25,668,039.62
Subtotal within 1 year	70,548,814.26	25,668,039.62
1 to 2 years	2,707,807.29	11,963,689.32
2 to 3 years	5,936,607.98	598,976.17

3 years or more	66,952.03	294,622.64
Total	79,260,181.56	38,525,327.75

(2). Classification by Nature of Funds

Unit: Yuan Currency: Renminbi

Nature of Funds	Ending Book Balance	Opening Balance
Export Tax Rebate	60,680,327.41	19,311,687.82
Equity payments from escrow accounts	4,139,570.03	4,322,964.12
Deposits and guarantees	4,077,934.09	3,035,925.26
Other Temporary Payments	10,362,350.03	11,854,750.55
Total	79,260,181.56	38,525,327.75

√ Applicable □ Not Applicable

(3). Provision for Bad Debts

Unit: Yuan Currency: Renminbi

Bad Debt Allowance	Stage 1	Stage 2	Stage 3	Total
	Expected Credit Loss Over the Next 12 Months	Expected Credit Loss Over the Entire Life (Before Impairment)	Expected Credit Losses Over the Entire Life (Impairment Incurred)	
Balance as of January 1, 2024 Balance	1,543,372.28			1,543,372.28
Balance as of January 1, 2024 Balance Transferred to Phase II				
--Transferred to Phase II				
--Transferred to Phase III				
--Reversed to Phase II				
--Reversed to Phase I				
Current Period Accrual	2,319,891.11			2,319,891.11
Reversal for the current period				
Current Period Write-off				
Write-off for the period				
Other Changes				
December 31, 2024 Balance	3,863,263.39			3,863,263.39

Classification criteria and bad debt provision rates for each stage Not applicable

Explanation of significant changes in the carrying amount of other receivables resulting from changes in loss provisions during the current period:

□ Applicable √ Not applicable

Basis for determining the provision amount for bad debts in the current period and whether the credit risk of the financial instruments has increased significantly:

□ Applicable √ Not applicable

(4). Status of Bad Debt Allowance

√ Applicable □ Not applicable

Unit: Yuan Currency: Renminbi

Category	Opening Balance	Current Period Change				Ending Balance
		Accrued	Recovered or Reversal	Write-off or Write-off	Other changes movements	
Ageing Profile	1,543,372.28	2,319,891.11				3,863,263.39
Total	1,543,372.28	2,319,891.11				3,863,263.39

Significant reversals or recoveries of bad debt provisions during the current period:

☐ Applicable √ Not applicable

Other Notes:
None

(5). Details of other receivables actually written off during the current period

☐ Applicable √ Not applicable

Significant write-offs of other receivables:

☐Applicable √Not applicable

Explanation of write-offs of other receivables:

☐ Applicable √ Not Applicable

(6). Top five other receivables by debtor at period-end balance

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Unit Name	Ending Balance	Percentage of Total Other Receivables at End of Period Proportion (%)	Nature of the Amount	Ageing	Provision for Bad Debts - Ending Balance
Unit 1	60,680,327.41	76.56	Export Tax Rebates	Within 1 year	
Unit 2	4,139,570.03	5.22	Escrow Account Equity Payments	2-3 years	
Unit Three	2,985,227.70	3.77	Rental Deposit	Within 1 year	149,261.39
Unit 4	1,882,569.48	2.38	Other temporary payments	Within 3 years	94,128.47
Unit 5	902,038.52	1.14	Other temporary payments	Within 1 year	45,101.93
Total	70,589,733.14	89.07	/	/	288,491.79

(7) Reported under other receivables due to centralized fund management

☐Applicable √Not applicable

Other Notes:

☐Applicable √ Not Applicable

10. Inventories

(1). Inventory Classification

√ Applicable ☐ Not Applicable

Unit: CNY Currency: Renminbi

Item	Ending Balance			Beginning Balance		
	Book Balance	Inventory Valuation Allowance/Contract Performance Contract Cost Impairment Reserve	Book Value	Book Balance	Inventory valuation allowance/Contract Contract Performance Cost Impairment Reserve	Carrying Amount
Raw Materials	410,745,666.38	6,259,338.58	404,486,327.80	353,392,544.99	5,760,072.60	347,632,472.39
Work in Progress	5,157,082.26		5,157,082.26	2,512,306.41		2,512,306.41
Inventory	377,149,460.33	15,342,913.88	361,806,546.45	345,197,120.67	11,775,893.92	333,421,226.75
Turnaround Materials	10,189,750.02	9,444.24	10,180,305.78	8,164,367.57	588,753.01	7,575,614.56
Goods in Transit	60,950,819.92		60,950,819.92	13,394,376.32		13,394,376.32
Goods Dispatched	49,755,334.09		49,755,334.09	35,796,942.41		35,796,942.41
Total	913,948,113.00	21,611,696.70	892,336,416.30	758,457,658.37	18,124,719.53	740,332,938.84

(2). Data resources recognized as inventory

☐ Applicable √ Not applicable

(3). Inventory Valuation Allowance and Contract Performance Cost Impairment Reserve

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Opening Balance	Increase for the Period		Current Period Decrease		Ending Balance
		Accrual	Other	Reversal or Write-off	Other	
Raw Materials	5,760,072.60	1,085,147.98		585,882.00		6,259,338.58
Inventory	11,775,893.92	8,318,815.02		4,751,795.06		15,342,913.88
Consumable Materials	588,753.01	-431,275.55		148,033.22		9,444.24
Total	18,124,719.53	8,972,687.45		5,485,710.28		21,611,696.70

Reason for Reversal or Write-off of Inventory Valuation Allowance During Current Period

☐ Applicable √ Not applicable

Inventory valuation allowance provided by portfolio

☐ Applicable √ Not applicable

Criteria for establishing inventory valuation allowance by portfolio

☐Applicable √Not applicable

(4). Amount of capitalized borrowing costs included in the ending inventory balance, along with calculation standards and basis

☐Applicable √ Not applicable

(5). Explanation of the current period amortization amount for contract fulfillment costs

☐ Applicable √ Not applicable

Other Notes:

☐Applicable √ Not applicable

11. Assets Held for Sale

☐Applicable √Not applicable

12. Non-current assets due within one year

√Applicable ☐Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Beginning Balance
Bank Certificates of Deposit Due Within One Year		834,795,277.56
Total		834,795,277.56

Debt investments maturing within one year

☐Applicable √Not applicable

Other debt investments maturing within one year

☐ Applicable √ Not applicable

Other notes on non-current assets due within one year: None

13. Other current assets

√Applicable ☐Not applicable

Unit: RMB Currency: Renminbi

Item	Ending Balance	Opening Balance
Unpaid Value-Added Tax	19,823,808.54	16,736,729.09
Prepaid Corporate Income Tax	10,311,071.70	504,521.31
Time Deposits and Interest	20,108,164.38	40,441,205.48
Total	50,243,044.62	57,682,455.88

Other Notes:
None

14. Debt Investments (1). Debt Investment Details

☐ Applicable √ Not Applicable

Changes in Impairment Allowance for Debt Investments During the Period

☐ Applicable √ Not Applicable

(2). Significant Debt Investments at Period-End

☐ Applicable √ Not Applicable

(3). Details of Impairment Reserve Accrual

☐ Applicable √ Not Applicable

Classification criteria and impairment reserve allocation ratios for each stage: Not applicable

Explanation of Significant Changes in Book Value of Debt Investments with Loss Reserve Adjustments During Current Period:

☐Applicable √Not applicable

Basis for determining the amount of impairment allowance provisioned during the current period and whether the credit risk of the financial instruments has significantly increased

☐Applicable √Not applicable

(4). Actual write-offs of debt investments during the current period

☐ Applicable √ Not applicable

Details of write-offs for significant debt investments

☐ Applicable √ Not applicable

Explanation of debt investment write-offs:

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not applicable

15. Other Debt Investments (1). Details of Other Debt Investments

☐ Applicable √ Not Applicable

Changes in Impairment Allowance for Other Debt Investments During the Current Period

□ Applicable √ Not Applicable

(2). Other Significant Debt Investments at Year-End

☐ Applicable √ Not Applicable

(3). Impairment Reserve Accrual Details

☐Applicable √Not applicable

Classification criteria and impairment reserve allocation ratios for each stage: Not applicable

Explanation of significant changes in the carrying amount of other debt investments for which loss provisions changed during the current period:

☐Applicable √Not applicable

Basis for determining the amount of impairment allowance provisioned during the current period and whether the credit risk of the financial instruments has significantly increased

☐Applicable √Not applicable

(4). Actual write-offs of other debt investments during the current period

☐ Applicable √ Not applicable

Details of write-offs for significant other debt investments

☐ Applicable √ Not applicable

Explanation of write-offs for other debt investments:

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not applicable

16. Long-Term Receivables

(1). Status of Long-Term Receivables

☐ Applicable √ Not Applicable

(2). Classified Disclosure by Bad Debt Provision Method

☐ Applicable √ Not Applicable

Individual bad debt provisioning:

☐ Applicable √ Not Applicable

Explanation of individual bad debt provisioning:

☐Applicable √Not applicable

Collective impairment allowance:

☐Applicable √Not applicable

(3). Provisioning for bad debts using the expected credit loss general model

□Applicable √Not applicable

Criteria for stage classification and bad debt provision ratios: Not applicable

Explanation of significant changes in the carrying amount of long-term receivables resulting in changes to loss provisions for the current period:

☐Applicable √Not applicable

Basis for determining the amount of bad debt provision for the current period and whether the credit risk of the financial instrument has increased significantly

☐Applicable √Not applicable

(4). Status of bad debt provisions

☐ Applicable √ Not applicable

Among which, the amount of bad debt provision recovered or reversed in the current period is significant:

☐ Applicable √ Not applicable

Other Notes:
None

(5). Details of long-term receivables actually written off during the current period

☐Applicable √Not applicable

Significant write-offs of long-term receivables during the period

☐Applicable √Not applicable

Explanation of Long-Term Receivables Write-Offs:

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not Applicable

17. Long-Term Equity Investments

(1). Status of Long-Term Equity Investments

√ Applicable □ Not Applicable

Unit: RMB Currency:

Investee	Opening Balance	Increase/Decrease for the Period								Renminbi Ending Balance	Impairment Reserve Balance at End of Period
		Additional Investment	Decrease in Investment	Investment Loss Recognized Under the Equity Method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends declared and paid or profit	Provision for Impairment	Other		
I. Joint Ventures											
Subtotal											
II. Associates											
Zhejiang Lingjie Robotics Parts Co., Ltd.		4,300,000.00		-216,571.22						4,083,428.78	
Subtotal		4,300,000.00		-216,571.22						4,083,428.78	
Grand Total		4,300,000.00		-216,571.22						4,083,428.78	

(2). Impairment Testing of Long-Term Equity Investments

☐ Applicable √ Not Applicable

Other Notes:
None

18. Other Equity Instrument Investments (1). Details of Other Equity Instrument Investments

☐ Applicable √ Not Applicable

(2). Explanation of Derecognition During the Current Period

☐Applicable √Not applicable

Other Notes:

☐ Applicable √ Not applicable

19. Other Non-current Financial Assets

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance
Financial Assets at Fair Value Through Profit or Loss Financial Assets at Fair Value Through Profit or Loss	10,000,000.00	10,000,000.00
Of which: Equity investment fund shares	10,000,000.00	10,000,000.00
Total	10,000,000.00	10,000,000.00

Other Notes:

☐ Applicable √ Not Applicable

20. Investment Property

Investment property measurement model not applicable

21. Fixed Assets

Itemized presentation

√Applicable ☐Not Applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Beginning Balance
Fixed Assets	1,659,915,218.87	1,584,078,625.97
Disposal of Fixed Assets		
Total	1,659,915,218.87	1,584,078,625.97

Other Notes:

☐ Applicable √ Not Applicable

Fixed Assets

(1). Fixed Assets

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Buildings and Structures	Machinery and Equipment	Vehicles	Electronic Equipment and Other	Land Ownership	Total
I. Original Book Value:						
1. Opening Balance	1,097,488,730.88	826,052,079.73	29,527,956.36	79,205,782.65	88,674,381.44	2,120,948,931.06
2. Increase for the Period	100,851,647.83	134,580,889.54	4,265,927.94	7,921,331.06	21,292,601.06	268,912,397.43
(1) Acquisition	68,101,977.38	89,111,523.19	4,137,676.50	8,460,180.61	803,596.88	170,614,954.56
(2) Transfer from Construction in Progress	28,773,057.22	44,627,703.47			17,863,628.86	91,264,389.55
(3) Increase from business combinations						
(4) Exchange rate fluctuations	3,976,613.23	841,662.88	128,251.44	-538,849.55	2,625,375.32	7,033,053.32
3. Decrease for the Period		37,538,508.88	679,321.56	5,232,897.96		43,450,728.40
(1) Disposal or Scrapping		37,538,508.88	679,321.56	5,232,897.96		43,450,728.40
4. Ending Balance	1,198,340,378.71	923,094,460.39	33,114,562.74	81,894,215.75	109,966,982.50	2,346,410,600.09
II. Accumulated Depreciation						
1. Beginning Balance	148,498,600.75	314,798,482.99	21,519,361.84	52,030,014.37		536,846,459.95
2. Increase for the Period	50,916,813.85	103,016,080.47	4,661,906.48	12,373,986.24		170,968,787.04
(1) Provision	50,646,110.16	104,229,045.21	4,577,971.50	12,800,809.01		172,253,935.88
(2) Exchange rate fluctuations	270,703.69	-1,212,964.74	83,934.98	-426,822.77		-1,285,148.84
3. Decrease for the Period		17,468,689.91	637,156.83	3,216,841.92		21,322,688.66
(1) Disposal or Scrapping		17,468,689.91	637,156.83	3,216,841.92		21,322,688.66
4. Ending Balance	199,415,414.60	400,345,873.55	25,544,111.49	61,187,158.69		686,492,558.33
III. Impairment Reserve						
1. Beginning Balance	2,822.89		19,418.00	1,604.25		23,845.14
2. Current Period Increases						
(1) Accrued						
3. Decrease for the Period			19,418.00	1,604.25		21,022.25
(1) Disposal or Scrapping			19,418.00	1,604.25		21,022.25

4. Ending Balance	2,822.89					2,822.89
IV. Carrying Value						
1. Carrying Value at End of Period	998,922,141.22	522,748,586.84	7,570,451.25	20,707,057.06	109,966,982.50	1,659,915,218.87
2. Opening Book Value	948,987,307.24	511,253,596.74	7,989,176.52	27,174,164.03	88,674,381.44	1,584,078,625.97

(2). Status of Temporarily Idle Fixed Assets

☐ Applicable √ Not Applicable

(3). Fixed Assets Leased Out Under Operating Leases

☐ Applicable √ Not Applicable

(4). Status of Fixed Assets Without Property Rights Certificates

☐ Applicable √ Not applicable

(5). Impairment testing of fixed assets

☐Applicable √Not applicable

Other Notes:

☐ Applicable √ Not Applicable

Disposal of Fixed Assets

☐ Applicable √

Not Applicable **22.**

Construction in

Progress

Project Listing

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Beginning Balance
Construction in Progress	225,499,167.30	59,542,986.46
Construction Materials		
Total	225,499,167.30	59,542,986.46

Other Notes:

☐ Applicable √ Not Applicable

Construction in Progress

(1). Status of Construction in Progress

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Project	Ending Balance			Beginning Balance		
	Book Balance	Impairment Allowance	Book Value	Book Balance	Impairment Provision	Carrying Amount
Jiechang Drive - Equipment to be Installed	53,528,797.04		53,528,797.04	19,477,565.44		19,477,565.44
Haisikai - Equipment to be Installed				584,100.00		584,100.00
J-STAR U.S. Plant and Equipment Installation	8,960,158.41		8,960,158.41	7,373,276.47		7,373,276.47
Malaysia J-STAR Plant	6,486,677.75		6,486,677.75	3,365,538.84		3,365,538.84

Premium Housing - Equipment to be Installed	103,773.58		103,773.58			
METMO New Production Line Equipment Project	2,848,911.61		2,848,911.61	5,403,199.21		5,403,199.21
Zhiyou Automobile - Equipment to be Installed	548,495.57		548,495.57	119,266.06		119,266.06
Austria Production Line Installation	1,445,506.43		1,445,506.43	814,261.07		814,261.07
Austria LDAT SAP Implementation Project Implementation Project				10,859,365.27		10,859,365.27
Hungary Plant Engineering	135,001,117.61		135,001,117.61	9,952,942.67		9,952,942.67
Hungary - Equipment to be Installed	16,457,657.92		16,457,657.92			
Austria LEG - Equipment to be installed Equipment				1,150,101.18		1,150,101.18
Austria LDNA- To be installed Equipment	118,071.38		118,071.38	443,370.25		443,370.25
Total	225,499,167.30		225,499,167.30	59,542,986.46		59,542,986.46

(2). Changes in Significant Construction Projects During the Period

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Project Name	Budgeted Amount	Opening Balance	Increase for Current Period	Amount Transferred to Fixed Assets This Period	Other Decreases for the Period	Ending Balance	Cumulative Project Expenditure as a Percentage of Budget Example (%)	Project Progress	Cumulative Amount of Capitalized Interest	Of which: Interest capitalized in the current period	Interest capitalization rate for the current period (%)	Funding Source
Jiechang Drive-Pending Installation Equipment		19,477,565.44	71,811,464.65	37,760,233.05		53,528,797.04						Self-raised Funds
A Land Austria LDAT SAP Implementation Project		10,859,365.27		10,033,400.51	825,964.76							Self-financed Funds
Hungary Factory Construction Project		9,952,942.67	142,911,803.80	17,863,628.86		135,001,117.61						Funds Raised
Total		40,289,873.38	214,723,268.45	65,657,262.42	825,964.76	188,529,914.65	/	/			/	

(3). Provision for Impairment of Construction in Progress for the Current Period

□ Applicable √ Not Applicable

(4). Impairment Testing of Construction in Progress

□ Applicable √ Not Applicable

Other Notes:

□ Applicable √ Not Applicable

Construction Materials

(1). Project Materials Status

☐ Applicable √ Not Applicable

23. Biological Assets

(1). Productive Biological Assets Measured at Cost

☐Applicable √Not Applicable

(2). Impairment testing of biological assets at cost

☐Applicable √Not applicable

(3). Productive biological assets measured at fair value

☐Applicable √Not applicable

Other Notes:

☐ Applicable √ Not applicable

24. Oil and Gas Assets

(1) Status of Oil and Gas Assets

☐ Applicable √ Not Applicable

(2) Impairment Testing of Oil and Gas Assets

√ Applicable ☐ Not Applicable

Recoverable Amount Determined Based on Fair Value Less Costs to Sell

☐Applicable √Not applicable

Recoverable amount determined based on the present value of estimated future cash flows

☐Applicable √Not applicable

Reasons for significant inconsistencies between the aforementioned information and information used in prior years' impairment tests or external information

☐ Applicable √ Not applicable

Reasons for significant discrepancies between information used in prior-year impairment tests and actual circumstances in the current year

☐ Applicable √ Not applicable

Other Explanations:
None

25. Right-of-use assets

(1) Status of right-of-use assets

√ Applicable □ Not applicable

Unit: Yuan Currency: Renminbi

Item	Buildings and Structures	Total
I. Original Book Value		
1. Beginning Balance	61,889,158.60	61,889,158.60
2. Current Period Increases	5,601,694.98	5,601,694.98
(1) New leases	5,601,694.98	5,601,694.98
3. Decrease for the Period	3,124,847.49	3,124,847.49
(1) Lease expirations	1,292,216.17	1,292,216.17
(2) Exchange rate fluctuations	1,832,631.32	1,832,631.32
4. Ending Balance	64,366,006.09	64,366,006.09
II. Accumulated Depreciation		
1. Beginning Balance	24,607,699.63	24,607,699.63
2. Increase for the Period	11,527,697.01	11,527,697.01
(1) Provision	12,195,336.47	12,195,336.47
(2) Exchange rate changes	-667,639.46	-667,639.46
3. Decrease for the Period	1,292,216.17	1,292,216.17
(1) Disposal		
(2) Lease Expiration	1,292,216.17	1,292,216.17
4. Ending Balance	34,843,180.47	34,843,180.47
III. Impairment Reserve		
1. Beginning Balance		
2. Current Period Increase		
(1) Provision		
3. Decrease for the Period		
(1) Disposals		
4. Closing Balance		
IV. Carrying Value		
1. Carrying Amount at End of Period	29,522,825.62	29,522,825.62
2. Beginning Book Value	37,281,458.97	37,281,458.97

(2) Impairment Testing of Right-of-Use Assets

□ Applicable √ Not Applicable

Other Notes:
None

26. Intangible Assets

(1). Intangible Assets

√ Applicable ☐ Not applicable

Unit: Yuan Renminbi Currency: Total

Item	Land Use Rights	Software	Trademark Rights	Patented Technology	Customer relationships	
I. Original Book Value						
1. Beginning Balance	94,814,587.47	48,047,044.42	59,979,234.33	93,996,197.98	32,144,128.00	328,981,192.20
2. Increase for the Period	34,529,241.08	14,401,975.52	-1,776,458.83	-3,837,550.76	-1,364,015.00	41,953,192.01
(1) Acquisition	34,529,241.08	5,628,268.67		47,474.82		40,204,984.57
(2) Internal R&D						
(3) Increase from business combinations						
(4) Transfer from Construction in Progress		10,033,400.51				10,033,400.51
(5) Exchange rate fluctuations		-1,259,693.66	-1,776,458.83	-3,885,025.58	-1,364,015.00	-8,285,193.07
3. Decrease for the Period		1,849,000.89	599,301.82			2,448,302.71
(1) Disposal		1,849,000.89	599,301.82			2,448,302.71
4. Ending Balance	129,343,828.55	60,600,019.05	57,603,473.68	90,158,647.22	30,780,113.00	368,486,081.50
II. Accumulated Amortization						
1. Beginning Balance	17,227,151.50	13,128,313.39	17,619,543.62	48,079,313.84	16,573,999.18	112,628,321.53
2. Increase for the Period	2,483,306.99	6,983,469.15	6,005,037.74	17,888,573.15	6,292,465.00	39,652,852.03
(1) Accrued	2,483,306.99	6,983,469.15	6,005,037.74	17,888,573.15	6,292,465.00	39,652,852.03
(2) Exchange rate fluctuations						
3. Decrease for the Period	3,634,742.77	-3,546,932.89	3,653,130.85	1,528,424.65	1,320,385.08	6,589,750.46
(1) Disposal			599,301.82			599,301.82
(2) Exchange rate fluctuations	3,634,742.77	-3,546,932.89	3,053,829.03	1,528,424.65	1,320,385.08	5,990,448.64
4. Ending Balance	16,075,715.72	23,658,715.43	19,971,450.51	64,439,462.34	21,546,079.10	145,691,423.10

III. Impairment Reserve						
1. Beginning Balance						
2. Current Period Increase						
(1) Provision						
(2) Exchange Rate Fluctuations						
3. Decrease for the Period						
(1) Disposals						
(2) Exchange rate changes						
4. Ending balance						
IV. Carrying Value						
1. Carrying Value at End of Period	113,268,112.83	36,941,303.62	37,632,023.17	25,719,184.88	9,234,033.90	222,794,658.40
2. Beginning Book Value	77,587,435.97	34,918,731.03	42,359,690.71	45,916,884.14	15,570,128.82	216,352,870.67

The proportion of intangible assets formed through internal R&D at the end of the period is 0% of the total intangible asset balance.

(2). Data resources recognized as intangible assets

☐ Applicable √ Not applicable

(3). Status of land use rights without completed property rights certificates

☐ Applicable √ Not applicable

(3) Impairment testing of intangible assets

☐Applicable √Not applicable

Other Notes:

☐ Applicable √ Not Applicable

27. Goodwill

(1). Carrying Amount of Goodwill

Unit: Yuan Currency: Renminbi

Name of investee or transaction item giving rise to goodwill	Opening Balance	Increase for the Period		Current Period Decrease		Closing Balance
		Business Combination Formed	Accrued Form	Disposition Disposition	Exchange rate fluctuations	
Logic Endeavor Group GmbH	226,238,745.43				9,600,292.86	216,638,452.57
Total	226,238,745.43				9,600,292.86	216,638,452.57

√ Applicable ☐ Not applicable

(2). Goodwill Impairment Reserve

Unit: Yuan Currency: Renminbi

Name of investee or transaction item giving rise to goodwill	Opening Balance	Increase for the Period		Current Period Decrease		Closing Balance
		Accrued	Other Other	Disposition Disposition	Exchange rate fluctuations	
Logic Endeavor Group GmbH	90,749,360.96	129,742,201.34			3,853,109.73	216,638,452.57
Total	90,749,360.96	129,742,201.34			3,853,109.73	216,638,452.57

√ Applicable ☐ Not Applicable

(3). Information on the asset group or combination of asset groups to which the goodwill relates

Name	Composition of the asset group or combination to which it belongs and Basis	Operating segment to which it belongs and basis	Consistent with Previous Years Consistent with Previous Years
Logic Endeavor Group GmbH includes the asset group related to goodwill	The asset group or combination of assets that is capable of benefiting from the synergies of the business combination: including: property, plant, and equipment, construction in progress, intangible assets assets, goodwill	Logic Endeavor Group GmbH	is

Changes in the asset group or combination of asset groups

☐Applicable √Not applicable

Additional Notes:

☐ Applicable √ Not applicable

(4). Specific Method for Determining Recoverable Amount

Recoverable amount is determined as fair value less costs to sell

√ Applicable □ Not applicable

Unit: Yuan Renminbi Currency:

Item	Carrying Amount	Recoverable Amount	Impairment Amount	Fair Value and Disposal Cost Determination Method	Key Parameters	Determination of Key Parameters
Logic Endeavor Group GmbH Asset Group Including Goodwill	450,192,611.97	229,533,850.00	129,742,201.34	Fair value is determined based on the present value of the asset group's projected future cash flows; disposal costs are determined based on the estimated legal fees, related taxes, transportation costs, and other expenses incurred to prepare the assets for sale. Other expenses incurred to bring the assets to a saleable condition	Revenue growth rate, profit margin, discount rate	Key parameters used in calculating the present value of estimated future cash flows
Total	450,192,611.97	229,533,850.00	129,742,201.34	/	/	/

Recoverable amount determined based on the present value of estimated future cash flows

√ Applicable □ Not applicable

Unit: CNY Currency: Renminbi

Item	Carrying Amount	Recoverable Amount	Impairment Amount	Length of the Forecast Period	Key Parameters for the Forecast Period (Growth rate, profit margin, etc.)	Basis for determining parameters during the forecast period	Key parameters for the stabilization period (Growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters during the stable period
Logic Endeavor Group GmbH Asset group including goodwill	450,192,611.97	229,533,850.00	129,742,201.34	2025–2029 Year	Growth Rate: 11.77%, 22.2%, 16.21%, 19.16%, 15.78%; Profit Margin: -19.11%, -19.11%, -19.11%, -19.11%, -19.11%, -19.11%, Profit Margin: -19.11%, -6%, -0.05%, 4.02%, 6.86%	Growth rate and profit The management has established these ratios based on historical operating performance, future business plans, and projected sales targets to assess the company's	Growth Rate: 0%; Profit Margin: 7.48%; Discount Rate: 10.84%	Growth rate and profit margin Management forecasts the company's operating revenue and total profit based on historical performance, future operational plans, and target sales. The discount rate is determined through

								and risk adjustment factors, while also considering the development level and competitive position of the asset group's operating units. to determine the discount rate.
Total	450,192,611.97	229,533,850.00	129,742,201.34	/	/	/	/	/

Reasons for significant inconsistencies between the aforementioned information and information used in prior-year impairment tests or external information

☐ Applicable √ Not applicable

Reasons for significant discrepancies between information used in prior-year impairment tests and actual circumstances in the current year

☐ Applicable √ Not applicable

(5). Performance Commitments and Corresponding Goodwill Impairment

Performance commitments existed when goodwill was recognized, and the reporting period or the period immediately preceding the reporting period fell within the performance commitment period

☐Applicable √Not applicable

Other Explanations:

☐Applicable √Not Applicable

28. Deferred Expenses

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Opening Balance	Increase for the Period	Current Period Amortization	Other Decreases	Ending Balance
Factory-attached facilities Construction Amortization	1,751,726.86	30,342.53	250,000.90		1,532,068.49
Amortization of License Fees	160,081.73		33,168.46		126,913.27
Amortization of Pollution Discharge Rights	762,208.83		250,394.00		511,814.83
Renovation projects and Other Amortization	5,321,208.67	6,212,692.05	3,236,614.38		8,297,286.34
Total	7,995,226.09	6,243,034.58	3,770,177.74		10,468,082.93

Other Notes:

None

29. Deferred Income Tax Assets / Deferred Income Tax Liabilities

(1). Unrecognized Deferred Tax Assets

√ Applicable ☐ Not Applicable

Unit: CNY Currency: Renminbi

Item	Ending Balance		Opening Balance	
	Tax-deductible temporary Differences	Deferred Income Tax Assets	Deductible temporary Differences	Deferred Income Tax Asset
Asset Impairment Reserve	48,659,749.68	9,636,337.71	31,450,549.24	9,242,011.44
Unrealized Gains on Internal Transactions	124,933,552.06	31,805,217.45	122,603,093.88	26,153,430.27
Deductible Losses	363,743,040.47	81,462,204.75	264,049,042.12	61,418,153.22
Government grants	51,930,752.82	7,890,172.79	45,873,619.04	7,035,902.82
Equity Incentives			66,582.00	9,987.30
Accrued Warranty Reserve	27,368,186.39	6,294,682.87	26,687,996.45	6,671,999.11
Accrued Donation Expenses			1,500,000.00	225,000.00
Fair value changes on trading financial liabilities of trading financial liabilities			2,155,250.00	538,812.50
Lease liability deductible differences	7,741,833.76	1,835,206.78	41,825,429.87	10,532,429.04
Total	624,377,115.18	138,923,822.35	536,211,562.60	121,827,725.70

(2). Unoffset deferred income tax liabilities

√ Applicable ☐ Not Applicable

Unit: RMB Currency: Renminbi

Item	Ending Balance	Opening Balance

	Taxable Temporary Difference	Deferred Income Tax Liabilities	Taxable temporary differences Differences	Deferred Income Tax Liabilities
Non-controlling interests in non-controlling interests in non-controlling interests in non-controlling interests in non-controlling interests in non-controlling interests in non-Asset revaluation surplus	89,009,655.26	20,498,155.55	122,613,143.76	30,653,285.94
Accelerated Depreciation of Fixed Assets	43,894,136.84	8,417,864.65	28,444,159.67	4,266,623.95
Deductible Difference on Right-of-Use Assets	7,637,173.96	1,804,969.75	37,281,458.97	9,395,135.34
Fair value changes in trading financial assets Change in Fair Value	726,649.79	108,997.47		
Total	141,267,615.85	30,829,987.42	188,338,762.40	44,315,045.23

(3). Deferred income tax assets or liabilities presented on a net basis

Unit: Yuan Currency: Renminbi

√ Applicable □ Not applicable

Item	Deferred Income Tax Assets and Liabilities Offset Amount	Net deferred tax asset or liability Balance at End of Period	Opening Offset Amount of Deferred Income Tax Assets and Liabilities Amount	Deferred tax assets or liabilities after offsetting at the beginning of the period
Deferred income tax assets	19,674,936.27	119,248,886.08	25,128,716.64	96,699,009.06
Deferred income tax liabilities	19,674,936.27	11,155,051.15	25,128,716.64	19,186,328.59

(4). Details of Unrecognized Deferred Income Tax Assets

Unit: CNY Currency: Renminbi

√ Applicable □ Not Applicable

Item	Ending Balance	Beginning Balance
Tax-deductible temporary differences	16,518,101.27	14,713,992.42
Deductible Losses	65,210,785.68	46,750,948.22
Total	81,728,886.95	61,464,940.64

(5). Unrecognized deferred tax assets from deductible losses will expire in the following years

Unit: Yuan Currency: Renminbi

√ Applicable □ Not applicable

Year	Ending Balance	Opening Balance	Remarks
2023		1,964,233.67	
2024		1,372,036.33	
2025	649,939.51	649,939.51	
2026	5,703,469.50	5,703,469.50	
2027	1,051,196.38	1,051,196.38	
2028	6,862,373.89	6,862,373.89	
2029	6,345,491.48		
2030			
2031			
2032	17,094,106.07	17,094,106.07	
2033	12,053,592.87	12,053,592.87	
2034	15,450,615.98		
Total	65,210,785.68	46,750,948.22	/

Additional Notes:

☐ Applicable √ Not Applicable

30. Other Non-Current Assets

√ Applicable □Not Applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance			Opening Balance		
	Book Balance	Impairment Allowance	Book Value	Book Balance	Impairment Reserve	Carrying Amount
Prepaid Equipment Project payment	63,738,238.12		63,738,238.12	11,663,440.76		11,663,440.76
Time Deposit Certificates and Interest	268,379,276.14		268,379,276.14	210,995,068.49		210,995,068.49
Total	332,117,514.26		332,117,514.26	222,658,509.25		222,658,509.25

Other Notes:
None

31. Assets Subject to Ownership or Usage Restrictions

√ Applicable □ Not Applicable

Unit: RMB Currency: Renminbi

Item	End of Period				Opening Balance			
	Book Balance	Book Value	Restricted Type	Restriction Status	Book balance	Book Value	Restricted Category Type	Restriction Status
Cash and cash equivalents	104,661,986.16	104,661,986.16	Other	Guarantee for Accepted Bills Cash	40,519,043.51	40,519,043.51	Other	Accepted Bill Guarantee
Cash and Cash Equivalents	2,591,856.00	2,591,856.00	Other	Customs Supervision Guarantee Gold	10,147,362.75	10,147,362.75	Other	Customs Supervision Guarantee Deposit
Cash and Cash Equivalents	485,982.93	485,982.93	Other	Alipay -1688 Deposit	16,000.00	16,000.00	Other	Alipay-1688 Deposit Deposit
Cash and Cash Equivalents	3,762,850.00	3,762,850.00	Other	Performance Bond Guarantee Cash				
Cash and Cash Equivalents					23,000.00	23,000.00	Other	ETC Frozen Funds
Notes receivable					975,000.00	975,000.00	Pledged	Pledged Bank Accepted Bills Notes
Notes receivable Other Notes: None	8,947,023.02	8,947,023.02	Other	Endorsed or Discounted Accepted bills	23,830,037.66	23,830,037.66	Other	Endorsed or Discounted Accepted Bills of Exchange
Accounts Receivable Financing					5,107,828.55	5,107,828.55	Pledged	Pledge of Bank Accepted Bills
Other Receivables				171 / 231	2,466,400.00	2,343,080.00	Other	Customs supervision deposits
Current Non-Current Assets Current assets					575,640,000.00	575,640,000.00	Pledge	Certificate of Deposit Pledge
Fixed Assets	186,451,521.97	164,891,308.93	Mortgage	Mortgage loans	177,492,774.99	162,838,433.79	Mortgage	Mortgage Loan
Total	306,901,220.08	285,341,007.04	/	/	836,217,447.46	821,439,786.26	/	/

32. Short-term borrowings

(1). Classification of Short-Term Borrowings

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance
Collateralized Loans		9,094,281.66
Guaranteed Loans		328,204,276.65
Unsecured Loans	582,184,189.98	611,829,288.26
Total	582,184,189.98	949,127,846.57

Explanation of Short-Term Borrowings Classification:
None

(2). Status of Overdue Short-Term Loans

□ Applicable √ Not Applicable

Significant details of overdue short-term loans are as follows:

□ Applicable √ Not Applicable

Other Notes:

□ Applicable √ Not Applicable

33. Trading Financial Liabilities

√ Applicable □ Not applicable

Unit: Yuan Currency: Renminbi

Item	Opening Balance	Ending Balance	Reason and Basis for Designation
Trading Financial Liabilities	4,495,850.00		/
Of which:			
Forward Foreign Exchange Contracts	4,495,850.00		/
Total	4,495,850.00		/

Additional Notes:

□ Applicable √ Not Applicable

34. Derivative Financial Liabilities

□ Applicable √

Not Applicable **35.**

Notes Payable

(1). Notes Payable

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Type	Ending Balance	Opening Balance
Bank Accepted Bills	273,050,324.63	207,396,701.37
Total	273,050,324.63	207,396,701.37

The total amount of notes payable due and unpaid at the end of the period is ¥0. The reason for non-payment upon maturity is /

36. Accounts Payable

(1). Accounts Payable Disclosure

√ Applicable □ Not Applicable

Unit: RMB Currency: Renminbi

Item	Ending Balance	Opening Balance
Accounts Payable	590,977,245.51	419,966,789.93
Equipment Construction Payables	40,619,142.60	28,829,245.48
Total	631,596,388.11	448,796,035.41

(2). Significant Accounts Payable Over 1 Year Old or Past Due

□Applicable √Not applicable

Other Notes:

□Applicable √Not applicable

37. Prepayments

(1). Presentation of advance receipts

□Applicable √Not Applicable

(2). Significant Prepaid Items Over 1 Year Old

□Applicable √Not applicable

(3). Amounts and reasons for significant changes in carrying amounts during the reporting period

□ Applicable √ Not applicable

Other Notes:

□ Applicable √ Not applicable

38. Contract Liabilities

(1). Contract Liabilities

√ Applicable □ Not Applicable

Unit: CNY Currency: Renminbi

Item	Ending Balance	Beginning Balance
Advance Receipts	41,774,970.25	33,867,001.41
Total	41,774,970.25	33,867,001.41

(2). Significant contractual liabilities over 1 year old

□ Applicable √ Not Applicable

(3). Amount and reason for significant changes in book value during the reporting period

□ Applicable √
Not applicable
Other notes:

□Applicable √Not applicable

39. Employee Benefits Payable

(1). Presentation of Employee Benefits Payable

√ Applicable □ Not applicable

Unit: Yuan Currency: Renminbi

Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance
I. Short-Term Compensation	96,938,314.54	790,346,560.54	764,768,734.16	122,516,140.92
II. Post-Employment Benefits - Defined Contribution Plan	4,639,593.57	53,752,680.19	53,249,750.70	5,142,523.06
Total	101,577,908.11	844,099,240.73	818,018,484.86	127,658,663.98

(2). Short-term compensation disclosed

√ Applicable □ Not Applicable

Unit: CNY Currency: Renminbi

Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance
I. Wages, Bonuses, Allowances, and Allowances	75,273,378.72	711,939,688.58	689,875,431.20	97,337,636.10
II. Employee Welfare Expenses	473,841.09	31,228,929.46	31,577,996.16	124,774.39
III. Social Insurance Contributions	2,433,751.85	28,196,582.93	27,932,765.51	2,697,569.27
Of which: Medical Insurance Contributions	2,124,660.37	24,615,559.03	24,385,246.96	2,354,972.44
Workers' Compensation Insurance Premium	309,091.48	3,581,023.90	3,547,518.55	342,596.83
Maternity Insurance Premium				
IV. Housing Provident Fund	64,385.24	10,751,126.79	10,753,858.94	61,653.09
V. Trade Union Funds and Employee Education Funds	18,692,957.64	8,230,232.78	4,628,682.35	22,294,508.07
VI. Short-Term Paid Absences				
VII. Short-Term Profit Sharing Plan				
Total	96,938,314.54	790,346,560.54	764,768,734.16	122,516,140.92

(3). Statutory Reserve Plan Schedule

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance
1. Basic Pension Insurance	4,162,814.80	48,228,891.01	47,777,644.09	4,614,061.72
2. Unemployment Insurance Premium	476,778.77	5,523,789.18	5,472,106.61	528,461.34
Total	4,639,593.57	53,752,680.19	53,249,750.70	5,142,523.06

Additional Notes:

□ Applicable √ Not Applicable

40. Taxes Payable

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance
Value-Added Tax	10,092,031.54	9,795,434.64

Business Tax	98,371.96	
Corporate Income Tax	36,793,297.58	38,487,242.73
Individual Income Tax	2,395,244.29	646,379.68
Urban Maintenance and Construction Tax	406,691.44	420,211.03
Stamp Tax	1,346,696.47	501,550.76
Education Surcharge	300,810.74	420,211.02
Land Use Tax	2,544,167.79	1,563,744.26
Property Tax	6,748,391.66	4,822,819.11
Disability Security Fund		1,953,162.29
Customs Duties	233,919.98	
Total	60,959,623.45	58,610,755.52

Other Notes:
None

41. Other Payables

(1). Item Description

√ Applicable ☐ Not Applicable

Unit: CNY Currency: Renminbi

Item	Ending Balance	Beginning Balance
Dividends Payable	373,981.68	134,364.44
Other Payables	42,753,506.51	51,978,731.89
Total	43,127,488.19	52,113,096.33

Other Notes:

☐ Applicable √ Not Applicable

(2). Interest Payable

Classification

☐ Applicable √ Not Applicable

Overdue Significant Interest Payable:

☐ Applicable √ Not applicable

Other Notes:

☐ Applicable √ Not Applicable

(3). Classified presentation of **dividends payable**

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Beginning Balance
Common Stock Dividends	373,981.68	134,364.44
Total	373,981.68	134,364.44

Other notes, including significant dividends payable overdue for more than one year, should disclose the reasons for non-payment: Not applicable

(4). Other Payables

Other payables by nature of payment

√ Applicable □Not applicable

Unit: RMB Currency: Renminbi

Item	Ending Balance	Beginning Balance
Equity Incentive Payments	19,355,662.07	36,088,915.40
Other Temporary Receivables	23,397,844.44	15,889,816.49
Total	42,753,506.51	51,978,731.89

Significant other payables aged over 1 year or past due

□Applicable √ Not applicable

Other Notes:

□Applicable √ Not applicable

42. Liabilities held for sale

□Applicable √ Not applicable

43.

√ Applicable □ Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Beginning Balance
Long-term loans due within one year	149,432,069.41	295,902,266.61
Lease liabilities due within one year	10,338,368.26	9,574,337.71
Donations payable due within one year		1,500,000.00
Deferred expenses for equity acquisitions due within one year Payments	22,648,823.98	74,673,440.76
Total	182,419,261.65	381,650,045.08

Other Notes:
None

44. Other Current Liabilities

Other Current Liabilities

√ Applicable □ Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance
Input Tax Credit to be Transferred	1,949,555.77	1,907,540.50
Endorsed but Unmatured Bank Accepted Bills	8,247,776.41	14,681,474.34
Endorsed but not yet matured commercial acceptance bills		54,281.66
Total	10,197,332.18	16,643,296.50

Changes in Short-Term Bonds Payable:

□ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not applicable

45. Long-term borrowings

(1). Classification of Long-Term Borrowings

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance
Mortgage and Guaranteed Loans	78,249,898.80	31,634,339.93
Unsecured Loans	25,557,562.50	169,469,386.29
Total	103,807,461.30	201,103,726.22

Notes on Classification of Long-Term Borrowings:
None

Other Notes:

□ Applicable √ Not applicable

46. Bonds

Payable (1).

Bonds Payable

□ Applicable √ Not Applicable

(2). Details of Bonds Payable: (Excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

□ Applicable √ Not Applicable

(3). Notes on Convertible Bonds

□ Applicable √ Not applicable

Accounting treatment and basis for determining conversion rights

□Applicable √Not Applicable

(4). Description of Other Financial Instruments Classified as Financial Liabilities

Basic Information on Other Financial Instruments Outstanding at Period-End (e.g., Preferred Shares, Perpetual Bonds)

□Applicable √Not applicable

Statement of Changes in Financial Instruments Issued and Outstanding at the End of the Period (e.g., Preferred Shares, Perpetual Bonds)

□Applicable √Not applicable

Basis for Classifying Other Financial Instruments as Financial Liabilities

□ Applicable √ Not Applicable

Other Notes:

□ Applicable √ Not Applicable

47. Lease Liabilities

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Beginning Balance
Lease Payments	24,139,762.91	35,154,854.55
Unrecognized Financing Costs	-1,244,148.58	-2,903,762.39
Total	22,895,614.33	32,251,092.16

Other Notes:
None

48. Long-Term Payables Itemized

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not Applicable

Long-Term Payables

(1). Presentation of Long-Term Payables by Nature of Funds

☐Applicable √Not Applicable **Special-purpose Payables**

(1). Present special-purpose payables by nature of funds

☐Applicable √Not applicable

49. Long-term Employee Compensation Payables

☐ Applicable √ Not applicable

50. Contingent Liabilities

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance	Reason for Formation
Product Quality Guarantee	27,368,186.39	26,687,996.45	
Total	27,368,186.39	26,687,996.45	/

Other Notes, Including Significant Assumptions and Estimates Related to Material Contingent Liabilities: None

51. Deferred Revenue

Deferred Revenue Details

√ Applicable ☐ Not applicable

Unit: CNY Currency: Renminbi

Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance	Reason for Formation
Government grants	46,056,605.71	12,091,900.00	6,081,486.19	52,067,019.52	
Total	46,056,605.71	12,091,900.00	6,081,486.19	52,067,019.52	/

Additional Notes:

☐ Applicable √ Not Applicable

52. Other Non-Current Liabilities

☐ Applicable √ Not Applicable

53. Share Capital

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

	Opening Balance	Increase/Decrease in Current Period (+, -)					Ending Balance
		Issuance New Shares	Bonus Stock Dividends	Reserve Fund Conversion	Other	Subtotal	
Shares	384,595,355.00				-1,138,800.00	-1,138,800.00	383,456,555.00
Total							

Additional Notes:

Pursuant to the resolution adopted at the Twelfth Meeting of the Fifth Board of Directors held on April 22, 2024, the Company approved the termination of incentive arrangements for a total of 6 former incentive recipients under the initial and reserved grants of the 2022 Restricted Stock Incentive Plan (hereinafter referred to as "the Incentive Plan"), as well as the termination of incentive arrangements for 6 former incentive recipients under the initial grant of the Incentive Plan due to the Company's failure

Stock Incentive Plan (hereinafter referred to as "the Incentive Plan") for a total of 6 incentive recipients who have left the company, as well as the restricted shares granted but not yet unlocked to a total of 206 incentive recipients involved in the initial grant and reserved grant due to the company-level performance assessment not meeting the targets in 2023. Among the initial grant portion, 5 incentive recipients (Li Jian, Ding Zhenghua, Zhang Yajun,

Ran Hui, Wang Wenlan) from the initial grant and one incentive recipient (Zhong Xiaobai) from the reserved grant have left the company for personal reasons and no longer qualify as incentive recipients.

. The initial grant portion was repurchased by the company at RMB 15.51 per share (adjusted for equity distribution) while the reserved grant portion was repurchased at RMB 11.59 per share.

The Company will repurchase and cancel a total of 41,600 restricted shares (adjusted for equity distributions) that have been granted to the aforementioned departing incentive recipients but remain subject to lock-up restrictions.

Simultaneously, due to the Company's failure to meet its 2023 performance targets at the corporate level, the vesting conditions for the second vesting period of Category I incentive recipients from the initial grant, the first vesting period of Category II incentive recipients from the initial grant, and the first vesting period of incentive recipients from the reserved portion have all failed to be satisfied. The Company shall repurchase and cancel the 873,700 restricted shares (of which 873,700 shares correspond to Category I incentive recipients from the initial grant) that have been granted but not yet vested to the 168 incentive recipients under the initial grant portion of this incentive plan.

873,700 restricted shares that have been granted but are not yet unlocked (including 337,000 shares corresponding to the first-time grant to Category I incentive recipients that have been granted

but not yet unlocked, and 337,200 restricted shares corresponding to the second category of incentive recipients in the initial grant that have been granted but not yet unlocked

536,500 shares of restricted stock granted to Category II incentive recipients in the initial grant) at RMB 15.51 per share

(adjusted for equity distributions) plus the sum of bank deposit interest for the same period ; 223,500 restricted shares granted but not yet released from restrictions for 38 incentive recipients in the reserved grant portion shall be repurchased and cancelled at RMB 11.59 per share (adjusted for equity distribution) plus bank deposit interest for the same period.

RMB 11.59 per share (adjusted for equity distribution) plus bank deposit interest for the same period. The registered capital was reduced by RMB 1,138,800.00 and capital surplus by RMB 15,616,508.00.

54. Other Equity Instruments

(1). Basic Information on Other Financial Instruments Issued and Outstanding at the End of the Period (e.g., Preferred Shares, Perpetual Bonds)

☐ Applicable √ Not Applicable

(2). Statement of Changes in Financial Instruments Issued and Outstanding at the End of the Period (e.g., Preferred Shares, Perpetual Bonds)

☐ Applicable √ Not Applicable

Explanation of changes in other equity instruments during the period, reasons for such changes, and basis for related accounting treatment:

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not Applicable

55. Capital Surplus

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance
Capital Premium (Share Premium)	2,268,099,469.48			2,268,099,469.48
Other Capital Surplus	20,231,229.05		19,794,198.63	437,030.42
Total	2,288,330,698.53		19,794,198.63	2,268,536,499.90

Other Notes, Including Changes During the Period and Explanations of Reasons for Changes:

(1) Changes in other capital reserves due to unmet performance targets for equity incentives and repurchases from departing personnel are detailed in Note VII, 53;

(2) The Company's equity interest in its subsidiary Zhejiang Zhiyou Automobile Technology Co., Ltd. increased from 80% to 94%. In the consolidated financial statements, the equity method adjustment applied to the subsidiary's opening period profit or loss due to the change in ownership interest resulted in a decrease of RMB 4,177,690.63 in other capital reserves.

56. Treasury Stock

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance
Restricted Stock Repurchase Obligation	36,088,915.40		16,755,308.00	19,333,607.40
Total	36,088,915.40		16,755,308.00	19,333,607.40

Other Notes, including changes during the period and reasons for such changes: Details of changes during the period are provided in Note VII, 53.

57. Other Comprehensive Income

√ Applicable □ Not Applicable

Unit: RMB Currency: Renminbi

Item	Opening Balance	Current Period Amount						Ending Balance
		Current Period Amount Before Income Tax	Less: Amounts transferred from other comprehensive income to profit or loss in the current period	Less: Retained earnings transferred from other comprehensive income in prior periods	Less: Income tax expense	Net income attributable to owners of the parent	Attributable to minority interests after tax	
I. Other comprehensive income items that cannot be reclassified to profit or loss				Retained earnings				
Other Comprehensive Income								
II. Other comprehensive income reclassified into profit or loss	-25,896,923.70	-20,771,177.07				-20,771,177.07		-46,668,100.77
Other Comprehensive Income								
Foreign Currency Financial Statements Conversion Differences	-25,896,923.70	-20,771,177.07				-20,771,177.07		-46,668,100.77
Other Comprehensive Income Total	-25,896,923.70	-20,771,177.07				-20,771,177.07		-46,668,100.77

Other Notes, including the effective portion of gains or losses on cash flow hedges transferred to adjustments to the initial recognition amount of the hedged item: None

58. Special Reserves

☐ Applicable √ Not Applicable

59. Retained Earnings

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance
Legal Reserve Fund	192,297,677.50			192,297,677.50
Total	192,297,677.50			192,297,677.50

Statement of Retained Earnings, including changes during the current period and reasons for such changes: None

60. Retained Earnings

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Current Period	Previous Period
Retained Earnings at End of Previous Period Before Adjustments	1,327,371,278.78	1,252,154,167.06
Adjusted opening retained earnings total (increase +; decrease -)		
Adjusted opening retained earnings	1,327,371,278.78	1,252,154,167.06
Add: Net profit attributable to owners of the parent for the current period Profit	281,976,704.08	205,962,500.74
Less: Statutory reserve provision		30,740,794.72
Transfer to discretionary reserve		
General risk reserve provision		
Common Stock Dividends Payable	65,381,210.35	100,004,594.30
Common stock dividends transferred to capital stock		
Retained earnings at end of period	1,543,966,772.51	1,327,371,278.78

Adjustment Details for Opening Retained Earnings:

1. Retrospective adjustments under the Enterprise Accounting Standards and related new regulations affected opening retained earnings by RMB 0.

2. The change in accounting policies affected the opening retained earnings by RMB 0.

3. Correction of material accounting errors affected opening retained earnings by RMB 0.

4. Changes in the scope of consolidation due to common control affected opening retained earnings by RMB 0.

5. Other adjustments collectively affected opening retained earnings by ¥0.

61. Operating Revenue and Cost of Sales

(1). Operating Revenue and Cost of Sales

√ Applicable ☐ Not Applicable

Unit: RMB Currency: Renminbi

Item	Current Period Amount		Previous Period Amount	
	Revenue	Cost	Revenue	Cost
Main Business	3,643,582,336.63	2,571,571,965.93	3,019,923,878.70	2,147,602,647.25
Other Business	8,433,980.14	541,102.22	14,067,161.84	1,692,514.12
Total	3,652,016,316.77	2,572,113,068.15	3,033,991,040.54	2,149,295,161.37

(2). Breakdown of Operating Revenue and Cost of Sales

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Contract Classification	Total	
	Operating Revenue	Cost of Sales
Product Type		
Linear Drive Products	3,643,582,336.63	2,571,571,965.93
By Operating Region		
Overseas Sales	2,535,172,005.33	1,732,432,004.68
Domestic Sales	1,108,410,331.30	839,139,961.25
Classified by Time of Goods Transfer		
Revenue recognized at a point in time	3,643,582,336.63	2,571,571,965.93
By sales channel		
Distribution	360,653,310.96	244,089,656.35
Direct Sales	3,282,929,025.67	2,327,482,309.58
Total	3,643,582,336.63	2,571,571,965.93

Other Notes:

□ Applicable √ Not Applicable

(3). Description of Performance Obligations

□ Applicable √ Not Applicable

(4). Allocation to Remaining Performance Obligations

□ Applicable √ Not Applicable

(5). Material Contract Modifications or Significant Transaction Price Adjustments

□Applicable √Not Applicable

Other Notes:
None

62. Taxes and Surcharges

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Urban Maintenance and Construction Tax	4,334,500.66	4,506,839.03
Education Surcharge	4,400,050.24	4,506,838.98
Property Tax	9,456,174.84	5,779,460.70
Land Use Tax	2,544,167.79	1,292,876.16
Stamp Tax	4,589,811.64	2,537,606.33
Other	539,146.02	717,095.06
Total	25,863,851.19	19,340,716.26

Other Notes:
None

63. Selling Expenses

√ Applicable □ Not Applicable

Unit: CNY Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Employee Compensation	97,911,270.07	84,369,706.58
Advertising and Promotion Expenses	6,480,415.40	2,892,981.44
Depreciation and amortization	23,156,650.07	16,025,674.22
Exhibition Fees	5,455,691.81	6,815,627.51
Travel Expenses	10,126,906.32	10,472,843.85
Business entertainment expenses	2,948,781.15	2,851,394.91
Office expenses	2,140,613.78	2,962,761.15
Rental expenses	2,751,584.45	3,480,581.62
Customs declaration and inspection fees	10,961,826.56	6,025,630.30
Share-based payment expenses		-1,414,869.43
Insurance Premiums	3,833,391.99	3,125,369.59
Testing and inspection fees	3,327,807.97	7,401,819.81
Material Consumption Fees	2,125,944.64	5,100,372.77
Other	12,275,880.59	23,287,593.98
Total	183,496,764.80	173,397,488.30

Other Notes:
None

64. Administrative Expenses

√ Applicable □ Not Applicable

Unit: CNY Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Employee Compensation	113,935,327.59	98,732,494.89
Fees to intermediaries	5,851,959.41	7,658,856.26
Automotive expenses	2,523,221.22	2,137,370.04
Office expenses	13,288,295.61	10,434,438.00
Travel Expenses	4,385,154.21	3,498,987.27
Entertainment expenses	4,818,396.35	1,795,510.49
Consulting Fees	17,090,393.27	10,827,239.98
Depreciation and Amortization	48,157,210.05	58,359,973.79
Share-based payment expenses		-380,464.25
Other	36,790,102.05	29,670,928.70
Total	246,840,059.76	222,735,335.17

Other Notes:
None

65. R&D Expenses

√ Applicable □ Not Applicable

Unit: CNY Currency: Renminbi

Item	Current Period Amount	Previous Period Amount

Direct Investment	39,819,702.60	33,771,023.80
Employee compensation	151,495,622.06	140,289,601.15
Depreciation and amortization	23,990,622.30	22,572,044.91
Share-based payment expenses		-1,368,102.95
Other	17,017,221.65	12,924,079.24
Total	232,323,168.61	208,188,646.15

Other Notes:
None

66. Financial Expenses

√ Applicable □ Not Applicable

Unit: CNY Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Interest Expense	30,518,631.38	47,157,778.73
Of which: Interest expense on lease liabilities	299,156.24	1,132,222.90
Less: Interest income	37,079,162.80	59,750,682.67
Foreign exchange gains and losses	-12,650,112.79	7,130,152.24
Other	3,686,202.66	5,299,438.20
Total	-15,524,441.55	-163,313.50

Other Notes:
None

67. Other Income

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Classified by Nature	Current Period Amount	Previous Period Amount
Government Grants	65,001,471.83	53,414,513.29
Withholding tax handling fee	234,181.60	220,921.98
Total	65,235,653.43	53,635,435.27

Other Notes:
None

68. Investment Income

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Investment Income from Associates and Joint Ventures	-216,571.22	
Investment income from foreign exchange contracts and options trading	-88,374.06	-20,890,988.92
Interest income accrued during the holding period of time deposits	20,461,959.08	29,732,866.01
Total	20,157,013.80	8,841,877.09

Other Notes:
None

69. Net Hedging Gain

☐ Applicable √ Not Applicable

70. Fair value change gains

√ Applicable ☐ Not Applicable

Unit: CNY Currency: Renminbi

Source of Fair Value Change Gains	Current Period Amount	Previous Period Amount
Fair value changes on foreign exchange contracts and wealth management products	238,510.74	-2,155,250.00
Fair value change on contingent consideration from equity transactions Profit		7,467,344.08
Total	238,510.74	5,312,094.08

Other Notes:
None

71. Credit Impairment Loss

√ Applicable ☐ Not Applicable

Unit: CNY Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Bad Debt Loss on Notes Receivable	-50,231.56	50,231.56
Bad debt expense on accounts receivable	7,108,331.32	2,679,558.05
Bad debt loss on other receivables	2,319,891.11	-101,129.57
Total	9,377,990.87	2,628,660.04

Other Notes:
None

72. Asset Impairment Loss

√ Applicable ☐ Not Applicable

Unit: CNY Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
I. Impairment Loss on Contract Assets	5,132,854.72	1,195,979.54
II. Inventory Write-Down Losses and Contract Performance Costs Impairment Losses	8,972,687.45	13,040,136.11
III. Goodwill Impairment Loss	129,742,201.34	90,749,360.96
Total	143,847,743.51	104,985,476.61

Other Notes:
None

73. Gain on asset disposal

√ Applicable ☐ Not Applicable

Unit: CNY Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Gain on Disposal of Fixed Assets	-6,517,987.23	-1,295,401.67
Total	-6,517,987.23	-1,295,401.67

Other Notes:
None

74. Non-operating Income

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount	Amount Recognized as Non-Recurring Gain or Loss for the Current Period Amount
Other	1,690,721.70	2,445,279.84	1,690,721.70
Total	1,690,721.70	2,445,279.84	1,690,721.70

Other Notes:

☐ Applicable √ Not Applicable

75. Non-operating Expenses

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount	Amount Recognized as Non-Recurring Gain or Loss for the Current Period Amount
Loss on disposal of non-current assets Total loss	1,111,328.91	395,845.22	1,111,328.91
External donations	297,268.00	188,428.54	297,268.00
Other	481,134.50	2,645,073.47	481,134.50
Total	1,889,731.41	3,229,347.23	1,889,731.41

Other Notes:

None

76. Income Tax Expense

(1). Income Tax Expense Schedule

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Current Income Tax Expense	81,843,030.11	63,358,299.69
Deferred income tax expense	-30,581,154.46	-48,537,221.78
Total	51,261,875.65	14,821,077.91

√ Applicable ☐ Not Applicable

(2). Adjustment Process for Accounting Profit and Income Tax Expense

Unit: Yuan Currency: Renminbi

√ Applicable ☐ Not Applicable

Item	Current Period Amount
Total Profit	332,592,292.46
Income Tax Expense at Statutory/Applicable Tax Rate	49,888,843.87
Impact of Different Tax Rates Applied to Subsidiaries	-1,291,041.79
Impact of adjusting prior period income taxes	2,385,710.36
Impact of Non-Deductible Costs, Expenses, and Losses	19,710,791.86
Current period unrecognized deferred tax assets from deductible temporary differences	5,577,436.79

Impact of deductible temporary differences or losses	
Disclosure of income tax effects related to additional deductions for R&D expenditures	-25,013,795.28
Other	3,929.84
Income tax expense	51,261,875.65

Other Notes:

☐ Applicable √ Not Applicable

77. Other Comprehensive Income

√ Applicable ☐ Not Applicable See Notes

78. Cash Flow Statement Items

(1). Cash flows from operating activities

Other cash received from operating activities

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Temporary Receipts and Recovery of Temporary Payments	20,451,408.35	16,250,865.30
Government grants	54,296,848.39	60,747,830.64
Interest income from bank deposits	36,414,955.15	59,750,682.67
Other	1,691,068.76	2,666,201.82
Total	112,854,280.65	139,415,580.43

Cash received from other operating activities:
None

Cash paid for other operating activities

√ Applicable ☐ Not applicable

Unit: RMB Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Advance Payments and Repayment of Advance Receipts	13,299,019.41	15,212,526.37
Cash Payments for Costs and Expenses	208,802,450.96	213,031,637.34
Other cash flows related to operating activities	778,402.50	8,132,940.21
Total	222,879,872.87	236,377,103.92

Cash paid for other operating activities: None

(2). Cash flows from investing activities

Significant cash received from investing activities

√ Applicable ☐ Not Applicable

Unit: RMB Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Recovered Maturity Term Deposits		70,000,000.00
Total		70,000,000.00

Cash received related to significant investing activities Note: None

Cash paid for significant investment activities

√ Applicable □ Not Applicable

Unit: RMB Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Purchase of Bank Certificates of Deposit Held to Maturity	110,000,000.00	250,000,000.00
Purchase of wealth management products	493,348,447.25	
Equity investment in affiliated companies	4,300,000.00	
Purchase or settlement of forward foreign exchange contracts	4,680,900.00	20,890,988.99
Total	612,329,347.25	270,890,988.99

Cash paid for significant investing activities Notes None

Other cash received related to investing activities

√ Applicable □ Not Applicable

Unit: RMB Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Recovered Matured Bank Time Deposits		770,000,000.00
Total		770,000,000.00

Cash received from other activities related to investing activities Note: None

Other cash paid related to investing activities

□ Applicable √ Not Applicable

(3). Cash flows from financing activities

Other cash received from financing activities

□ Applicable √ Not applicable

Other cash paid in connection with financing activities

√ Applicable □ Not applicable

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Repurchase payments for restricted stock	16,755,308.00	990,936.00
Long-term lease payments made	12,999,519.92	10,422,297.08
Total	29,754,827.92	11,413,233.08

Cash paid for other financing activities: None

Changes in Liabilities Arising from Financing Activities

√ Applicable □ Not Applicable

Unit: RMB Currency: Renminbi

Item	Opening Balance	Increase for the Period		Current Period Decrease		Ending Balance
		Cash Changes	Non-cash Changes	Cash Changes	Non-cash changes	
Short-term borrowings	949,127,846.57	772,456,304.33	4,642,682.11	1,141,030,450.00	3,012,193.03	582,184,189.98
Long-term borrowings (including current portion)	219,173,730.42	124,792,414.60	-2,976,510.27	412,803,439.24	3,125,614.82	-74,939,419.31
Lease liabilities (including those due within one year)	41,805,097.51		8,862,828.67	12,999,519.92		37,668,406.26
Total	1,210,106,674.50	897,248,718.93	10,529,000.51	1,566,833,409.16	6,137,807.85	544,913,176.93

(4). Notes on Net Cash Flow Presentation

☐ Applicable √ Not Applicable

(5). Significant activities not involving cash receipts or payments during the current period but affecting the enterprise's financial position or potentially affecting future cash flows, along with their financial impact

☐Applicable √Not applicable

79. Supplementary Notes to the Cash Flow Statement

(1). Supplementary Notes to the Cash Flow Statement

√Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Supplementary Information	Current Period Amount	Previous Period Amount
1. Adjust net profit to cash flow from operating activities:		
Net Profit	281,330,416.81	204,471,729.61
Add: Asset impairment provisions	143,847,743.51	104,985,476.61
Credit impairment loss	9,377,990.87	2,628,660.04
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of production depreciation of productive biological assets	172,253,935.88	165,545,416.77
Amortization of right-of-use assets		
Depreciation of right-of-use assets	12,195,336.47	8,442,721.89
Amortization of intangible assets	39,652,852.03	37,514,294.80
Amortization of deferred expenses	3,770,177.74	4,404,976.59
Loss (gain) on disposal of fixed assets, intangible assets, and other long-term assets Assets (Gains to be entered with a "-" sign)	6,517,987.23	1,295,401.67
Loss on disposal of fixed assets (gain indicated by "-") (Column)	1,111,328.91	395,845.22
Fair value change loss (gain indicated by "-"))	-238,510.74	-5,312,094.08
Financial expenses (gains indicated with "-")	20,660,632.73	57,980,631.46
Investment Losses (Gains indicated with "—")	-20,157,013.80	-8,841,877.09
Decrease in deferred tax assets (increase recorded with a "-" sign))	-22,549,877.02	-33,289,303.13
Increase in deferred income tax liabilities (decrease indicated with "-")	-8,031,277.44	-15,131,415.04
Decrease in inventory (increase indicated by "—")	-159,526,717.75	52,200,037.58
Decrease in operating receivables (increase indicated with "—"))	-205,228,632.93	-102,632,631.38
Increase in operating payables (decrease indicated with "—"))	231,654,302.21	190,836,915.69
Other	2,247,563.81	9,965,522.19
Net Cash Flow from Operating Activities	508,888,238.52	675,460,309.40
2. Significant investment and financing activities not involving cash receipts or payments:		
Debt-to-equity conversion		
Convertible corporate bonds maturing within one year		

Acquisition of right-of-use assets through lease liabilities	5,601,694.98	1,570,381.69
3. Net Changes in Cash and Cash Equivalents:		
Cash balance at end of period	1,893,677,866.72	2,066,607,036.69
Less: Beginning balance of cash	2,066,607,036.69	1,639,600,613.16
Add: Closing balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-172,929,169.97	427,006,423.53

(2). Net cash paid during the period to acquire subsidiaries

☐ Applicable √ Not applicable

(3). Net cash received from disposal of subsidiaries during the period

☐ Applicable √ Not applicable

(4). Composition of Cash and Cash Equivalents

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Project	Ending Balance	Opening Balance
I. Cash	1,893,677,866.72	2,066,607,036.69
Of which: Cash on Hand	132,346.43	125,168.37
Bank deposits available for immediate payment	1,892,995,565.61	2,065,774,306.31
Other monetary funds available for immediate payment	446,550.55	531,312.26
Deposits with central banks available for payment		
Deposits with other financial institutions		
Interbank placements		
Digital currency available for immediate payment	103,404.13	176,249.75
II. Cash Equivalents		
Including: Bond investments maturing within three months		
III. Cash and Cash Equivalents Balance at End of Period	1,893,677,866.72	2,066,607,036.69
Including: Restricted cash and cash equivalents used by the parent company or subsidiaries within the group		

(5). Restricted in use but still classified as cash and cash equivalents

☐ Applicable √ Not applicable

(6). Cash and cash equivalents not classified as cash and cash equivalents

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount	Reason
Accepted Bill of Exchange Margin	104,661,986.16	40,503,043.51	
Alipay-1688 Deposit	485,982.93	16,000.00	
U.S. Customs Duty Deposit	2,591,856.00	10,147,362.75	
Performance Bond Deposit	3,762,850.00		
Total	111,502,675.09	50,666,406.26	/

Additional Notes:

☐ Applicable √ Not Applicable

80. Notes to Statement of Changes in Equity

" "Other" Item Name and Adjustment Amount, etc.:

☐Applicable √Not Applicable

81. Foreign Currency Monetary Items

(1). Foreign Currency Monetary Items

√ Applicable ☐ Not Applicable

Unit: Yuan

Item	Ending Foreign Currency Balance	Conversion Rate	End-of-Period Renminbi Equivalent Balance
Cash and Cash Equivalents	-	-	874,674,298.00
Of which: U.S. dollars	61,496,030.80	7.1884	442,058,067.80
Euro	53,417,460.36	7.5257	402,003,781.43
Hungarian Forint	288,322,477.07	0.0183	5,275,935.29
Indian rupee	66,520,413.81	0.0854	5,679,512.93
Malaysian Ringgit	8,160,023.47	1.6199	13,218,503.62
Singapore Dollar	247,674.86	5.3214	1,317,977.00
New Taiwan Dollar	8,430,246.00	0.2229	1,879,101.83
Reais	865,743.91	1.1821	1,023,395.88
Czech koruna	2,616,554.22	0.2988	781,748.66
Hong Kong Dollar	98,601.92	0.9260	91,305.38
JPY	29,091,086.00	0.04623	1,344,968.18
Accounts Receivable	-	-	350,667,012.69
Of which: USD	38,822,119.85	7.1884	279,068,926.33
Euro	9,309,960.69	7.5257	70,063,971.16
CZK	87,283.51	0.2988	26,077.72
Japanese Yen	30,831,263.00	0.0462	1,425,421.78
Malaysian Ringgit	49,181.50	1.6199	79,669.60
Hungarian Forint	161,000.00	0.0183	2,946.10
Short-term borrowings			513,591.47
Of which: Euro	68,245.01	7.5257	513,591.47
Accounts Payable			53,607,647.19
Of which: USD	1,031,632.80	7.1884	7,415,789.22
Euro	4,377,388.04	7.5257	32,942,909.17
Czech koruna	6,589,990.18	0.2988	1,968,893.28
Malaysian Ringgit	6,877,581.41	1.6199	11,141,062.90
Hungarian Forint	7,595,752.09	0.0183	138,992.62
Long-term borrowings	-	-	103,807,461.30
Of which: Euro	3,396,037.91	7.5257	25,557,562.50
Malaysian Ringgit	48,305,090.28	1.6199	78,249,898.80
Non-current liabilities due within one year	-	-	59,512,808.18
Of which: USD	796,439.87	7.1884	5,725,128.36
Euro	5,526,113.66	7.5257	41,587,873.57
CZK	13,953,122.46	0.2988	4,168,778.44

Malaysian Ringgit	4,957,700.00	1.6199	8,031,027.81
Lease liabilities	-	-	22,814,659.05
Of which: USD	714,865.10	7.1884	5,138,736.28
Euro	80,815.98	7.5257	608,196.82
CZK	57,126,583.60	0.2988	17,067,725.95

Other Notes:
None

(2). Disclosure of foreign operating entities, including for significant foreign operating entities: their primary foreign operating locations, functional currency, and basis for selection shall be disclosed. If the functional currency changes, the reason shall also be disclosed.

☐ Applicable √

Not Applicable **82.**

Leases

(1) As Lessee

√ Applicable ☐ Not applicable

Item	Current Period Amount	Previous Period Amount
Interest expense on lease liabilities	299,156.24	1,132,222.90
Short-term lease expenses subject to simplified treatment included in related asset costs or current period profit or loss	4,072,533.40	4,863,502.29
Lease payments for low-value assets subject to simplified treatment included in the cost of related assets or current period profit or loss (excluding short-term lease payments for low-value assets)		
Variable lease payments not recognized as lease liabilities and included in the cost of related assets or current period profit or loss		
Of which: portion arising from sale-and-leaseback transactions		
Income from subleasing right-of-use assets		
Total cash outflows related to leases	17,072,053.32	15,285,799.37
Gains or losses arising from sale-and-leaseback transactions		
Cash inflows from sale-and-leaseback transactions		
Cash outflows from sale-and-leaseback transactions		

☐ Applicable √ Not applicable

Lease payments for short-term leases of leases of low-value assets subject to simplified treatment

√ Applicable ☐ Not applicable

The simplified treatment of short-term lease expenses recognized in the cost of related assets or in profit or loss for the current period amounted to RMB 4,072,533.40.

Sale-and-leaseback transactions and basis for judgment

☐ Applicable √ Not applicable

Total cash outflow related to leases: RMB 12,961,371.53 (Unit: RMB Currency: Renminbi)

(2) As Lessor

Operating leases as lessor

☐Applicable √Not applicable

As Lessor in Finance Leases

☐Applicable √Not Applicable

Reconciliation between Undiscounted Lease Receivables and Net Lease Investment

☐Applicable √Not Applicable

Undiscounted Lease Receivables for the Next Five Years

☐ Applicable √ Not Applicable

(3) Recognition of gain or loss on sale of finance leases as a manufacturer or dealer

☐ Applicable √ Not Applicable

Other Notes:
None

83. Data Resources

☐Applicable √Not applicable

84. Other

☐ Applicable √

Not Applicable VIII.

R&D Expenditures

1. Listed by Nature of Expense

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Employee Compensation	151,495,622.06	140,289,601.15
Materials consumed	39,819,702.60	33,771,023.80
Depreciation and amortization	23,990,622.30	22,572,044.91
Other Expenses	17,017,221.65	11,555,976.29
Total	232,323,168.61	208,188,646.15
Of which: Expensed R&D expenditures	232,323,168.61	208,188,646.15
Capitalized R&D expenditures		

Other Notes:
None

2. R&D project development expenditures meeting capitalization criteria

☐ Applicable √ Not applicable

Significant capitalized R&D projects

☐ Applicable √ Not applicable

Development expenditure impairment allowance

☐ Applicable √ Not applicable

Other Notes:
None

3. Significant externally acquired development projects

☐Applicable √Not applicable

IX. Changes in Consolidation Scope

1. Business Combination Not Under Common Control

☐ Applicable √ Not applicable

2. Business combinations under common control

☐Applicable √Not Applicable

3. Reverse acquisitions

☐Applicable √Not applicable

4. Disposal of Subsidiary

Did any transactions or events resulting in loss of control over subsidiaries occur during the current period?

☐Applicable √Not applicable

Other Notes:

☐Applicable √Not applicable

Whether there were multiple transactions involving the step-by-step disposal of investments in subsidiaries that resulted in loss of control during the current period

☐ Applicable √ Not applicable

Other Notes:

☐ Applicable √ Not applicable

5. Changes in Consolidation Scope Due to Other Reasons

Describe changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

☐Applicable √Not applicable

6. Other

☐Applicable √ Not applicable

X. Interests in Other Entities

1. Interests in Subsidiaries

(1). Enterprise Group Composition

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Subsidiary Name	Principal Place of Business	Registered Capital	Registered Location	Business Nature	Shareholding Ratio (%)		Acquisition Method Method
					Direct	Indirect	
Ningbo Haishikai Drive Technology Co., Ltd.	Cixi, Ningbo	300 million RMB	Cixi, Ningbo	Manufacturing	100.00		Investment Establishment
J-STAR MOTION CORPORATION	United States	$40 million	United States	Production and Sales	100.00		Investment Establishment
Zhejiang Juyou Intelligent Technology Co., Ltd.	Xinchang, Shaoxing	30 million RMB	Xinchang, Shaoxing	Production	100.00		Investment Establishment
JIECANG EUROPE GMBH	Germany	2 million euros	Germany	Sales	100.00		Investment Establishment
J-STAR Co., Ltd.	Japan	¥180 million	Japan	Sales	100.00		Investment Establishment
Xinchang Jiechang Import & Export Co., Ltd.	Xinchang, Shaoxing	5 million RMB	Xinchang, Shaoxing	Sales	100.00		Investment Establishment
Taiwan Jieshida Co., Ltd.	Taiwan	NT$20 million	Taiwan	Sales, R&D	100.00		Investment Establishment
Zhejiang Shiyou Drive Technology Co., Ltd.	Ningbo Hi-Tech Zone	15 million RMB	Ningbo Hi-Tech Zone	Production	70.00		Investment Establishment
Zhejiang Zhiyou Automotive Technology Co., Ltd.	Xinchang, Shaoxing	50 million RMB	Xinchang, Shaoxing	Production and Sales	94.00		Investment Establishment
J-STAR MOTION (SINGAPORE) PTE. LTD	Singapore	17,269.602 million USD	Singapore	Sales, Investment	100.00		Investment Establishment
J-STAR MOTION SDN. BHD.	Malaysia	10,539.1825 million ringgit	Malaysia	Production		100.00	Investment Establishment
JIECANG PVT LTD	India	14 million Indian rupees	India	Sales		99.00	Investment Establishment
Logic Endeavor Group GmbH	Austria	17,600 EUR	Austria	Investment		100.00	Equity Acquisition
LOGICDATA Electronic & Software Development GmbH	Austria	40,000 euros	Austria	Production, Sales		100.00	Equity acquisition
LOGICDATA North America, Inc.	United States	$10,000	United States	Sales		100.00	Equity Acquisition
METMO s.r.o.	Czech Republic	12,000 CZK	Czech Republic	Production and Sales		100.00	Equity Acquisition

J-Star Motion Hungary Kft.	Hungary	1 million euros	Hungary	Production		100.00	Investment Establishment
LOGICDATA Hungary Kft.	Hungary	3 million Hungarian Forints	Hungary	Production		100.00	Investment Establishment

Explanation of shareholding ratio in subsidiary differing from voting rights ratio: Not applicable

Basis for holding 50% or less of voting rights but still controlling the investee, and holding more than 50% of voting rights but not controlling the investee: Not applicable

Basis for control over significant structured entities included in the scope of consolidation: Not applicable

Basis for determining whether the company is an agent or principal: Not applicable

Other Explanations: Not applicable

(2). Significant Non-Wholly Owned Subsidiaries

√ Applicable □ Not applicable

Unit: Yuan Currency: Renminbi

Subsidiary Name	Minority Interest Ratio	Profit/Loss Attributable to Minority Interests for the Period	Dividends Declared to Minority Shareholders for the Period Profit	Balance of Minority Interests at End of Period
Zhejiang Shiyou Drive Technology Co., Ltd.	30.00%	409,765.97	0.00	1,425,940.12
Zhejiang Zhiyou Automobile Technology Co., Ltd.	6.00%	-1,058,541.09	0.00	151,020.07

Explanation of why minority shareholders' equity interests in subsidiaries differ from their voting rights:

□ Applicable √ Not applicable

Other Notes:

√ Applicable □ Not applicable None

(3). Key Financial Information of Significant Non-Wholly Owned Subsidiaries

√ Applicable □ Not applicable

Unit: CNY Currency: Renminbi

Subsidiary Name	Ending Balance						Opening Balance					
	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current liabilities	Total Liabilities	Current Assets	Non-current assets	Total Assets	Current Liabilities	Non-current liabilities	Total Liabilities
Zhejiang Shiyou Drive Technology Co., Ltd.	38,684,767.21	4,816,293.54	43,501,060.75	35,167,011.56	80,915.46	35,247,927.02	27,212,106.65	5,683,358.51	32,895,465.16	25,882,996.42	125,221.59	26,008,218.01
Zhejiang Zhiyou Automotive Technology Co., Ltd.	31,912,975.06	19,780,169.70	51,693,144.76	56,039,876.94	136,266.70	56,176,143.64	28,774,458.14	14,500,782.83	43,275,240.97	29,932,901.65	182,986.67	30,115,888.32

Subsidiary Name	Current Period Amount				Previous Period Amount			
	Operating Revenue	Net Profit	Total Comprehensive Income	Cash Flow from Operating Activities	Revenue	Net Profit	Total Comprehensive Income	Cash Flow from Operating Activities
Zhejiang Shiyou Drive Technology Co., Ltd.	46,725,339.33	1,365,886.58	-	6,621,909.78	30,276,181.32	4,304,762.44	-	888,429.31
Zhejiang Zhiyou Automobile Technology Co., Ltd.	16,828,836.27	-17,642,351.53	-	-14,760,166.66	13,946,111.92	-13,966,682.58	-	-16,503,629.80

Other Notes:
None

(4). Significant Restrictions on the Use of Corporate Group Assets and the Repayment of Corporate Group Debts

☐ Applicable √ Not Applicable

(5). Financial Support or Other Support Provided to Structured Entities Included in the Scope of Consolidated Financial Statements

☐ Applicable √ Not applicable

Other Notes:

☐Applicable √Not applicable

2. Transactions resulting in changes to the share of equity in subsidiaries while maintaining control over them

√Applicable ☐Not applicable

(1). Explanation of changes in the share of equity in subsidiaries

√ Applicable ☐ Not Applicable

In December 2024, Xinchang Qingpingdiao Enterprise Management Consulting Partnership (Limited Partnership) transferred its 14% equity interest in Zhejiang Zhiyou Automobile Technology Co., Ltd. to the Company. The equity transfer has been completed. The current registered capital is RMB 50 million, with the Company holding a 94% equity interest.

(2). Impact of the transaction on minority interests and equity attributable to owners of the parent

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

	Zhejiang Zhiyou Automotive Technology Co., Ltd.
Purchase Cost/Disposal Consideration	
--Cash	16,127,482.12
Total Purchase Cost/Disposal Consideration	16,127,482.12
Less: Net assets of subsidiaries calculated based on the proportion of equity acquired/disposed of the subsidiary	11,949,791.49
Difference	4,177,690.63
Of which: Adjusted capital surplus	-4,177,690.63
Adjustment to retained earnings	
Adjustment to Retained Earnings	

Other Notes:

☐ Applicable √ Not applicable

3. Interests in Joint Ventures or Associates

√ Applicable ☐ Not applicable

(1). Significant Joint Ventures or Associates

√ Applicable ☐ Not applicable

Name of Joint Venture or Associate	Principal place of business	Place of Incorporation	Nature of Business	Equity Interest (%)		Accounting treatment for investments in joint ventures or associates
				Direct		Accounting Treatment

					Indirect	Method
Zhejiang Lingjie Robotics Parts Co., Ltd.	Shaoxing, Zhejiang	Shaoxing, Zhejiang	R&D and Production	43.00		Equity Method

Explanation of why the equity interest percentage in a joint venture or associate differs from the voting rights percentage: Not applicable

Basis for holding less than 20% of voting rights but exercising significant influence, or holding 20% or more of voting rights but not exercising significant influence: Not applicable

(2). Key Financial Information of Significant Joint Ventures

√ Applicable ☐ Not applicable

Unit: RMB Currency: Renminbi

	Ending Balance / Current Period Activity		Beginning Balance/Previous Period Amount	
	Zhejiang Lingjie Robot Components Co., Ltd. Company	Zhejiang Lingjie Robot Components Co., Ltd. Company	Zhejiang Lingjie Robot Components Co., Ltd. Company	Zhejiang Lingjie Robot Components Co., Ltd. Company
Current Assets	9,083,947.89	9,083,947.89		
Of which: Cash and cash equivalents	8,193,112.36	8,193,112.36		
Non-current assets	547,743.46	547,743.46		
Total Assets	9,631,691.35	9,631,691.35		
Current Liabilities	135,345.34	135,345.34		
Non-current liabilities				
Total Liabilities	135,345.34	135,345.34		
Minority Interests				
Equity attributable to shareholders of the parent company				
Net asset share calculated based on equity ratio	4,083,428.78	4,083,428.78		
Adjustments				
--Goodwill				
--Unrealized profits from internal transactions				
--Other				
Carrying Amount of Investment in Joint Venture	4,083,428.78	4,083,428.78		
Equity in joint ventures with publicly quoted prices Fair value of investments				
Operating Revenue	148,186.80	148,186.80		
Financial Expenses	-22,793.93	-22,793.93		
Income tax expense				
Net Profit	-503,653.99	-503,653.99		
Net profit from discontinued operations				
Other Comprehensive Income				
Total Comprehensive Income	-503,653.99	-503,653.99		
Dividends received from joint ventures during the current year				
Balance at end of period / Amount for the period				

Other Notes:
None

(3). Key Financial Information of Significant Associates

☐ Applicable √ Not applicable

(4). Consolidated Financial Information of Immaterial Joint Ventures and Associates

☐ Applicable √ Not applicable

(5). Disclosure of significant restrictions on the ability of a joint venture or associate to transfer funds to the Company

☐Applicable √ Not applicable

(6). Excess losses incurred by joint ventures or associates

☐ Applicable √ Not applicable

(7). Unrecognized Commitments Related to Investments in Joint Ventures

☐Applicable √ Not applicable

(8). Contingent liabilities related to investments in joint ventures or associates

☐Applicable √ Not applicable

4. Significant Joint Operations

☐Applicable √Not applicable

5. Interests **in** Structured Entities Not Included in the Consolidated Financial Statements

☐Applicable √Not applicable

6. Other

☐Applicable √

Not **applicable XI.**

Government Grants

1. Government subsidies recognized at the end of the reporting period based on the amount receivable

☐ Applicable √ Not applicable

Reasons for Failure to Receive Expected Amounts of Government Subsidies at the Anticipated Time

☐Applicable √Not applicable

2. Liability items related to government grants

√ Applicable □Not Applicable

Unit: RMB Currency: Renminbi

Financial Statement Item	Opening Balance	New Grants Received During the Period Amount	Non-operating Income for Current Period Amount	Transferred to Other Income for the Period	Other Changes During Current Period	Balance at end of period	Related to Assets/Income Related
Deferred Revenue	46,056,605.71	12,091,900.00		6,081,486.19		52,067,019.52	Asset-Related
Total	46,056,605.71	12,091,900.00		6,081,486.19		52,067,019.52	/

3. Government grants recognized in profit or loss for the period

√ Applicable □ Not Applicable

Unit: RMB Currency: Renminbi

Type	Current Period Amount	Previous Period Amount
Asset-Related	6,081,486.19	5,061,418.23
Income-related	58,919,985.64	48,353,095.06
Total	65,001,471.83	53,414,513.29

Other Notes:
None

XII. Risks Associated with Financial Instruments 1. Risks of Financial Instruments

√ Applicable □ Not Applicable

The Company faces various financial risks in its operations: credit risk, liquidity risk, and market risk. The aforementioned financial risks and the risk management policies adopted by the Company to mitigate these risks are described below:

The Board of Directors bears overall responsibility for establishing risk management objectives and policies and assumes ultimate accountability for them. However, the Board has delegated authority to the Company's finance department to design and implement procedures ensuring the effective execution of these objectives and policies. The Board reviews the effectiveness of implemented procedures and the appropriateness of risk management objectives and policies through monthly reports submitted by the head of the finance department. The Company's internal auditors also audit risk management policies and procedures, reporting relevant findings to the Audit Committee.

The Company's overall risk management objective is to establish risk management policies that minimize risk exposure without unduly compromising the Company's competitiveness and adaptability.

1. Credit Risk

Credit risk refers to the risk of financial loss to the Company arising from a counterparty's failure to fulfill its contractual obligations.

The Company's credit risk primarily arises from cash and cash equivalents, notes receivable, accounts receivable, receivables financing, contract assets, and other receivables. As of the balance sheet date, the carrying value of the Company's financial assets represents its maximum credit risk exposure.

The Company's cash and cash equivalents primarily consist of bank deposits held with reputable state-owned banks and other large and medium-sized listed banks with high credit ratings. The Company believes there is no significant credit risk associated with these deposits, and it is highly unlikely that significant losses would arise from bank default.

Additionally, for notes receivable, accounts receivable, receivables financing, contract assets, and other receivables, the Company has established policies to control credit risk exposure. The Company assesses customer creditworthiness based on factors such as the customer's financial condition, the availability of third-party guarantees, credit history, and other considerations including current market conditions, and sets corresponding credit terms accordingly.The Company regularly monitors customer credit records. For customers with poor credit histories, the Company employs measures such as written payment reminders, shortening credit terms, or canceling credit terms to ensure its overall credit risk remains within a controllable range.

2. Liquidity Risk

Liquidity risk refers to the risk of a company experiencing a shortage of funds when fulfilling obligations settled by delivering cash or other financial assets.

The Company's policy is to ensure sufficient cash to repay maturing obligations.Liquidity risk is centrally managed by the Company's finance department. The finance department monitors cash balances, readily convertible marketable securities, and rolling forecasts of cash flows for the next 12 months to ensure the Company has sufficient funds to repay debts under all reasonably foreseeable circumstances. It also continuously monitors compliance with loan agreement covenants and obtains commitments from major financial institutions to provide sufficient standby funding to meet short-term and long-term funding needs.

The Company's financial liabilities are presented below by maturity date based on undiscounted contractual cash flows:

Item	Balance at End of Period						
	Immediately Repayable	Within 1 Year	1–2 years	2-5 years	Over 5 years	Total Undiscounted Contract Amount	Book value
Short-term borrowings		582,184,189.98				582,184,189.98	582,184,189.98
Financial liabilities held for trading							
Notes payable		273,050,324.63				273,050,324.63	273,050,324.63
Accounts Payable		631,596,388.11				631,596,388.11	631,596,388.11
Other Payables		43,127,488.19				43,127,488.19	43,127,488.19
Lease liabilities		10,338,368.26	8,280,365.79	15,436,310.94		34,055,044.99	33,233,982.59
Long-term borrowings		149,432,069.41	12,774,924.81	38,324,774.44	67,660,720.18	268,192,488.85	253,239,530.71
Total		1,689,728,828.58	21,055,290.60	53,761,085.38	67,660,720.18	1,832,205,924.75	1,816,431,904.21

Project	Balance at End of Previous Year						
	Immediate Repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total Undiscounted Contract Amount	Book value
Short-term borrowings		949,127,846.57				949,127,846.57	949,127,846.57
Financial liabilities held for trading		4,495,850.00				4,495,850.00	4,495,850.00
Notes payable		207,396,701.37				207,396,701.37	207,396,701.37
Accounts Payable		448,796,035.41				448,796,035.41	448,796,035.41

Other Payables		51,978,731.89				51,978,731.89	51,978,731.89

Project	Balance at End of Previous Year						
	Immediate Repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total Undiscounted Contract Amount	Book value
Lease liabilities		9,574,337.71	11,143,699.33	24,011,155.22		44,729,192.26	41,825,429.87
Long-term borrowings		295,902,266.61	162,900,447.96	50,780,187.59	9,584,978.62	519,167,880.79	497,005,992.83
Total		1,967,271,769.56	174,044,147.29	74,791,342.81	9,584,978.62	2,225,692,238.28	2,200,626,587.94

3. Market Risk

Market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in market prices, including exchange rate risk, interest rate risk, and other price risks.

（1） Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates.

Interest-bearing financial instruments with fixed and floating rates expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the proportion of fixed-rate versus floating-rate instruments based on market conditions and maintains an appropriate mix of fixed and floating rate instruments through regular review and monitoring. When necessary, the Company employs interest rate swaps to hedge interest rate risk.

As of December 31, 2024, assuming all other variables remain constant, a 100-basis-point increase or decrease in the interest rate on borrowings calculated at floating rates would reduce or increase the Company's net profit by

RMB 6.9976 million (December 31, 2023: RMB 12.8941 million) Management believes that 100 basis points reasonably reflects the likely range of interest rate changes for the next fiscal year.

（2） Exchange Rate Risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of financial instruments may fluctuate due to changes in foreign exchange rates.

The Company continuously monitors the scale of foreign currency transactions and foreign currency assets and liabilities to minimize exposure to foreign exchange risk. Additionally, the Company may enter into forward foreign exchange contracts or currency swap agreements to hedge against exchange rate risk. During the current and prior periods, the Company did not enter into any forward foreign exchange contracts or currency swap agreements.

The Company's exchange rate risk primarily arises from financial assets and liabilities denominated in US dollars. The amounts of foreign currency financial assets and liabilities

Item	Balance at End of Period				Balance at End of Previous Year			
	USD	Euro	Other Foreign Currencies	Total	USD	Euro	Other currencies	Total
Foreign Currency Financial Assets:								

converted into RMB are presented as follows:

Item	Ending Balance				Previous Year-End Balance			
	USD	Euro	Other Foreign Currencies	Total	USD	Euro	Other currencies	Total
Cash and cash equivalents	442,058,067.80	402,003,781.43	30,612,448.77	874,674,298.00	354,537,603.05	335,761,610.76	19,461,112.61	709,760,326.42
Accounts Receivable	279,068,926.33	70,063,971.16	1,534,115.19	350,667,012.68	185,025,536.16	73,912,849.16	665,422.62	259,603,807.94
Subtotal	721,126,994.13	472,067,752.59	32,146,563.96	1,225,341,310.68	539,563,139.21	409,674,459.92	20,126,535.23	969,364,134.36
Foreign Currency Financial Liabilities:								
Short-term borrowings		513,591.47		513,591.47		70,829,288.26		70,829,288.26
Accounts Payable	7,415,789.22	32,942,909.17	13,248,948.80	53,607,647.19	22,153,254.19	28,209,949.94	23,857,877.65	74,221,081.78
Non-current liabilities due within one year	5,725,128.36	41,587,873.57	12,199,806.25	59,512,808.18	13,881,723.27	282,020,543.34		295,902,266.61
Long-term borrowings		25,557,562.50	78,249,898.80	103,807,461.30	31,634,339.93	69,469,386.29		101,103,726.22
Total	13,140,917.58	100,601,936.71	103,698,653.85	217,441,508.14	67,669,317.39	450,529,167.83	23,857,877.65	542,056,362.87

As of December 31, 2024, assuming all other variables remain constant, a 5% appreciation or depreciation of the Renminbi against the US Dollar and Euro would increase or decrease the Company's net profit by RMB 29.9443 million,

RMB 15.711 million (December 31, 2023: RMB 18.6409 million, -RMB 1.4302 million) Management believes a 5% fluctuation reasonably reflects the potential range of RMB movements against the USD in the coming year.

2. Hedging

(1) The company engages in hedging activities for risk management.

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not Applicable

(2) The company engages in qualifying hedging activities and applies hedge accounting

☐ Applicable √ Not Applicable

Other Notes:

☐Applicable √Not applicable

(3) The company engages in hedging activities for risk management purposes, expects to achieve risk management objectives, but does not apply hedge accounting

☐ Applicable √ Not applicable

Other Notes:

☐ Applicable √ Not applicable

3. Transfer of Financial Assets

(1) Classification of Transfer Method

Unit: Yuan Currency: Renminbi

Transfer Method √ Applicable ☐ Not Applicable	Financial Assets Transferred Nature	Transferred Financial Assets Amount	Discontinuation of Recognition	Reasons for Derecognition Basis for Determination
Bill endorsement or discounting	Non-"6+9" Bank Acceptance Bill of Exchange	8,947,023.02	Not derecognized	Risk and control not Fully Transferred
Bill endorsement or discounting	"6+9" Bank Accepted Bills Bill	181,207,919.63	Derecognition	Risk and Control Rights Transferred Transferred
Total	/	190,154,942.65	/	/

(2) Financial assets derecognized due to transfer

Unit: Yuan Currency: Renminbi

√ Applicable ☐ Not applicable

Item	Method of Financial Asset Transfer	Financial Assets Derecognized Amount	Gains or Losses Related to Derecognition or loss
Bank Accepted Bills	Endorsement or discounting	181,207,919.63	
Total	/	181,207,919.63	

(3) Financial Assets Transferred with Continuing Involvement

√ Applicable ☐ Not

Applicable

Unit: Yuan Currency: Renminbi

Item	Asset Transfer Method	Assets Formed by Continued Involvement Amount	Liabilities arising from continued involvement Amount

Bank Accepted Bills	Endorsed or Discounted	8,947,023.02	
Total	/	8,947,023.02	

Other Notes:

☐Applicable √Not Applicable

XIII. Fair Value Disclosure

1. Fair value of assets and liabilities measured at fair value at the end of the period

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Fair Value at End of Period			
	Level 1 Fair Value Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
I. Continuous Fair Value				
(1) Trading Financial Assets				
(a) Trading Financial Assets		179,025,395.09	10,000,000.00	189,025,395.09
1. Financial Assets at Fair Value Through Profit or Loss Assets		179,025,395.09		179,025,395.09
(1) Debt instrument investments				
(2) Equity instrument investments				
(3) Derivative financial assets		179,025,395.09		179,025,395.09
2. Designated at Fair Value Through Profit or Loss 10,000,000.00			10,000,000.00	10,000,000.00
(1) Limited partnership interests			10,000,000.00	10,000,000.00
Assets measured at fair value through profit or loss		179,025,395.09	10,000,000.00	189,025,395.09
Total Assets				

2. Continued and discontinued Level 1 fair value measurement items Basis for determining market price

☐ Applicable √ Not applicable

3. Determination Basis for Market Prices of Recurring and Non-Recurring Level 2 Fair Value Measurement Items

√Applicable ☐ Not applicable

Trading financial assets are calculated based on the market valuation provided by financial institutions at the end of the period. Trading financial liabilities are calculated based on the publicly quoted prices of forward foreign exchange contracts at the end of the period.

4. Qualitative and quantitative information regarding the valuation techniques and significant parameters used for ongoing and non-ongoing Level 3 fair value measurement items

√Applicable ☐ Not applicable

The fair value of equity investment fund shares held by the company at the end of the period is determined by reference to the net assets of the investee as of the reporting date.

5. Reconciliation between opening and closing book values for ongoing Level 3 fair value measurement items, and sensitivity analysis of unobservable parameters

☐ Applicable √ Not applicable

6. For items continuously measured at fair value, reasons for level-to-level reclassifications during the period and policies for determining reclassification timepoints

☐ **Applicable**

☐ Applicable √ Not applicable

7. Changes in valuation techniques during the current period and the reasons for such changes

☐Applicable √ Not applicable

8. Fair value status of financial assets and liabilities not measured at fair value

☐Applicable √ Not applicable

9. Other

☐Applicable √ Not applicable

XIV. Related Parties and Related Party Transactions

1. Information on the Parent Company of the Enterprise

☐ Applicable √ Not applicable

2. Information on the Company's Subsidiaries

Details of the Company's Subsidiaries are provided in the Notes

√ Applicable ☐ Not applicable

For details regarding the Company's subsidiaries, please refer to Note "X.1 Interest in Subsidiaries".

3. Joint Ventures and Associates of the Company

Details of the Company's significant joint ventures or associates are provided in Note

√ Applicable ☐ Not Applicable

Details of the Company's significant joint ventures or associates are provided in Note "X.3 in Joint Ventures or Associates".

Other joint ventures or associates that had related party transactions with the Company during the current period, or that had balances from related party transactions with the Company in prior periods, are as follows

☐ Applicable √ Not applicable

Other Notes:

☐Applicable √Not applicable

4. Other Related Party Circumstances

√ Applicable ☐ Not applicable

Name of Other Related Party	Relationship Between Other Related Parties and This Enterprise
Zhejiang Jiechang Holding Co., Ltd.	Company under the control of the same actual controller
Zhejiang Wendao Intelligent Equipment Co., Ltd.	Companies under the same actual control
Ningbo Youdao Metal Products Co., Ltd.	Companies under the same actual control
WENDAO INTELLIGENT EQUIPMENT KFT.	Companies under the control of the same actual controller

Other Notes:

None

5. Related Party Transactions

(1). Related-party transactions involving the purchase and sale of goods, provision and receipt of services Table of Purchased Goods/Received Services

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Related Party	Related Party Transaction Details	Amount for Current Period	Approved Transaction Limit (if applicable)	Exceeded Transaction Limit (if applicable)	Previous Period Amount
Zhejiang Jiechang Holdings Co., Ltd.	Purchase of Real Estate	85,271,700.00	85,271,700.00	No	
Zhejiang Wendao Intelligent Equipment Co., Ltd.	Equipment Purchase	35,541,429.12	45,000,000.00	No	25,153,590.01
WENDAO INTELLIGENT EQUIPMENT KFT.	Purchase of Equipment		25,000,000.00	No	2,330,120.89
Ningbo Youdao Metal Products Co., Ltd.	Purchase of Materials	142,809,458.62	150,000,000.00	No	113,228,098.61

Statement of Sales of Goods/Provision of Services

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Related Party	Related Party Transaction Details	Current Period Amount	Previous Period Amount
Zhejiang Wendao Intelligent Equipment Co., Ltd.	Sales of electricity, equipment, and materials	114,982.86	328,567.27
Ningbo Youdao Metal Products Co., Ltd.	Scrap and Tooling Sales		12,648.32

Disclosure of Related-Party Transactions for Purchasing/Selling Goods and Providing/Receiving Services

☐ Applicable √ Not Applicable

(2). Related-party entrusted management/contracting and entrusted management/outsourcing situations Company entrusted management/contracting situation table:

☐ Applicable √ Not Applicable

Description of Related-Party Custody/Contractual Arrangements

☐ Applicable √ Not Applicable

Company's Entrusted Management/Outsourcing Status Table

☐ Applicable √ Not Applicable

Affiliated Management/Outsourcing Situation Statement

☐ Applicable √ Not Applicable

(3). Related-Party Leasing Status

(Company as Lessor):

√ Applicable □ Not Applicable

Unit: CNY Currency: Renminbi

Lessee Name	Type of Leased Asset	Lease Revenue Recognized for the Current Period	Lease Revenue Recognized in the Previous Period
Zhejiang Wendao Intelligent Equipment Co., Ltd.	Real Estate	359,471.56	299,559.63
Ningbo Youdao Metal Products Co., Ltd.	Real Estate	1,461,793.76	1,461,793.76

As the Lessee:

☐ Applicable √ Not Applicable

Related-Party Lease Disclosure

☐ Applicable √ Not Applicable

(4). Related Party Guarantees Company as Guarantor

☐ Applicable √ Not Applicable

Company as the guaranteed party

☐ Applicable √ Not Applicable

Description of Related-Party Guarantee

☐ Applicable √ Not Applicable

(5). Related-party fund borrowing

☐ Applicable √ Not applicable

(6). Related Party Asset Transfers and Debt Restructuring

☐ Applicable √ Not Applicable

(7). Key Management Personnel Compensation

√ Applicable ☐ Not Applicable

Unit: CNY Currency: Renminbi

Item	Current Period Amount	Previous Period Amount
Key Management Personnel Compensation	8,390,666.00	7,539,480.36

(8). Other Related Party Transactions

☐ Applicable √ Not applicable

6. Status of Unsettled Items with Related Parties (e.g., Accounts Receivable/Payable)

(1). Receivables

√ Applicable ☐ Not applicable

Unit: CNY Currency: RMB

Item Name	Related Party	Ending Balance		Opening Balance	
		Book Balance	Allowance for Doubtful Accounts	Book Balance	Allowance for Doubtful Accounts
Accounts Receivable	Zhejiang Wendao Intelligent Equipment Co., Ltd.	23,753.33	1,187.67	6,863.98	343.20
Prepaid Accounts	Zhejiang Wendao Intelligent Equipment Co., Ltd.	51,800.00			
Other non-current Assets	Zhejiang Wendao Intelligent Equipment Co., Ltd.	26,982,965.37			

(2). Project Payables

√ Applicable ☐ Not applicable

Unit: RMB Currency: Renminbi

Item Name	Related Party	Balance at End of Period	Opening Balance
Accounts Payable	Ningbo Youdao Metal Products Co., Ltd.	17,858,944.59	6,443,392.96
Accounts Payable	Zhejiang Wendao Intelligent Equipment Co., Ltd.	13,965,858.07	12,286,531.82
Accounts Payable	WENDAO INTELLIGENT EQUIPMENT KFT.		947,893.05

Notes Payable	Ningbo WENDAO Metal Products Co., Ltd.		5,323,500.00

(3). Other Items

☐ Applicable √ Not Applicable

7. Related Party Commitments

☐ Applicable √ Not applicable

8. Other

☐Applicable √ Not applicable

XV. Equity-settled payments

1. Each equity instrument

☐Applicable √Not Applicable

Stock options or other equity instruments outstanding at the end of the period

☐Applicable √Not applicable

2. Equity-settled share-based payments

☐ Applicable √ Not applicable

3. Cash-settled share-based payments

☐ Applicable √ Not applicable

4. Share-based payment expenses for the current period

☐ Applicable √ Not applicable

5. Modifications or Terminations of Share-Based Payments

☐ Applicable √ Not applicable

6. Other

☐Applicable √ Not applicable

XVI. Commitments and Contingent Liabilities

1. Significant Commitments

√ Applicable ☐ Not Applicable

1. Significant Commitments Existing at the Balance Sheet Date

(1) Asset Pledges

On June 4, 2024, the Malaysian subsidiary J-STAR MOTION SDN. BHD. entered into a mortgage loan agreement with HONG LEONG BANK BERHAD to secure a loan agreement with an original value of 115,099,926.52 Malaysian Ringgit, equivalent to RMB 186,451,521.97.

The ownership of the buildings and land is pledged as collateral to secure the outstanding loan balance of the company with HONG LEONG BANK BERHAD.As of December 31, 2024, the book value of the mortgaged buildings was RM101,790,413.62, equivalent to RMB164,891,308.93.had a long-term loan balance of RM53,262,790.28 , equivalent to RMB 86,280,926.6. Furthermore, this loan is guaranteed by the subsidiary J-STAR MOTION (SINGAPORE) PTE. LTD.

（2） Pledged Assets

1) As of December 31, 2023, the Company and its subsidiary Ningbo Haishikai Drive Technology Co., Ltd. issued bank acceptance drafts totaling RMB 567,851,324.63 by paying a guarantee deposit to the bank issued bank-accepted bills totaling RMB 567,851,324.63, with corresponding deposit of acceptance bill margin of RMB 104,226,465.08.

2) As of December 31, 2024, the Company discounted bank-accepted bills totaling RMB 699,246.61 with Bank of Shanghai. The corresponding short-term loan balance at the end of the period was RMB 699,246.61. The corresponding short-term loan amount at the end of the period was RMB 699,246.61.

3) As of December 31, 2024, the Malaysian subsidiary J-STAR MOTION SDN. BHD. held a license authorized by local customs authorities. To ensure its compliant use, the subsidiary deposited a security deposit of 1,600,000.00 Malaysian Ringgit with the bank, equivalent to RMB RMB 2,591,856.00.

4) As of December 31, 2024, Logic Endeavor Group GmbH, an Austrian subsidiary, issued a customer performance bond to a bank and deposited a bond guarantee of EUR 500,000.00, equivalent to RMB 2,591,856.00.

2. Contingent Liabilities

(1). Significant contingent liabilities existing as of the balance sheet date

√ Applicable ☐ Not Applicable

In July 2021, the Company completed the acquisition of 100% equity interest in Logic Endeavor Group GmbH.Pursuant to the share transfer agreement signed between the Company and the former shareholders of Logic Endeavor Group GmbH, the acquisition consideration of EUR 79,178,400 was paid in two installments. 88% of the total transaction consideration was paid as an initial purchase price in a lump sum on the closing date, while the remaining 12% of the total transaction consideration was deferred for payment two years after the closing date.On December 24, 2021, the Company entered into a Guarantee Cooperation Agreement (applicable to cross-border non-financing guarantees under bank guarantees)with China Merchants Bank Shengzhou Sub-branch, committing not to settle the final payment for the Logic Endeavor Group GmbH equity transaction via a guarantee letter. The bank will issue a cross-border non-financing guarantee to the overseas custodian.Based on the guarantee issued by China Merchants Bank Shengzhou Sub-branch, the overseas custodian returned in installments the deferred payment of EUR 8,951,347.01 for the equity transaction that had been deposited in the custodian account.

(2). The company has no material contingent liabilities requiring disclosure, and this should be stated:

☐ Applicable √ Not Applicable

3. Other

☐ Applicable √ Not Applicable

XVII. Events After the Balance Sheet Date

1. Significant Non-Adjusting Events

□ Applicable √ Not Applicable

2. Profit Distribution

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Proposed Profit or Dividend Distribution	115,036,966.50
Profit or Dividend Declared for Distribution Upon Deliberation and Approval	-

3. Sales returns

□ Applicable √ Not applicable

4. Other Post-Balance-Sheet-Date Events

□ Applicable √ Not applicable

XVIII. Other Significant Matters 1. Correction of Prior Period Accounting Errors (1). Retrospective Restatement Method

□Applicable √Not applicable

(2). Future Application Method

□Applicable √Not applicable

2. Significant Debt Restructuring

□Applicable √Not Applicable **3. Asset Swap**

(1). Non-monetary Asset Exchange

□Applicable √ Not applicable

(2). Other Asset Swaps

□Applicable √ Not applicable

4. Pension Plans

□Applicable √Not applicable

5. Discontinued Operations

□Applicable √Not applicable **6. Segment Information**

(1). Basis for Identifying Reportable Segments and Accounting Policies

☐Applicable √ Not applicable

(2). Financial Information of Reportable Segments

☐Applicable √ Not applicable

(3). If a company has no reportable segments, or cannot disclose the total assets and total liabilities of each reportable segment, it shall explain the reasons.

☐ Applicable √ Not applicable

(4). Other Notes

☐ Applicable √ Not applicable

7. Other significant transactions and matters affecting investor decision-making

☐Applicable √ Not applicable

8. Other

☐Applicable √ Not applicable

XIX. Notes to Significant Items in the Parent Company Financial Statements 1. Accounts Receivable

(1). Disclosed by aging

√ Applicable ☐Not applicable

Unit: RMB Currency: Renminbi

Accounts Receivable Aging	Balance at End of Period	Opening Balance
Within 1 year		
Of which: Breakdown within 1 year		
Within 1 year	897,104,790.56	835,336,143.76
Subtotal within 1 year	897,104,790.56	835,336,143.76
1 to 2 years	7,123,574.33	3,181,365.35
2 to 3 years	216,342.82	697,679.50
3 years or more	147,679.50	
Subtotal	904,592,387.21	839,215,188.61
Less: Allowance for Doubtful Accounts	46,535,805.31	42,530,325.67
Total	858,056,581.90	796,684,862.94

(2). Classified Disclosure by Bad Debt Provision Method

√ Applicable □ Not Applicable

Unit: RMB Currency: Renminbi

Category	Ending Balance					Beginning Balance				
	Book Balance		Allowance for Doubtful Accounts		Book Value	Book Balance		Allowance for Doubtful Accounts		Book value
	Amount	Ratio (%)	Amount	Accrual Ratio (%)		Amount	Ratio (%)	Amount	Provision Ratio (%)	
Individual Item Approach Bad Debt Allowance										
Of which:										
Collectively Assessed Bad Debt Allowance	904,592,387.21	100.00	46,535,805.31	5.14	858,056,581.90	839,215,188.61	100.00	42,530,325.67	5.07	796,684,862.94
Of which:										
Ageing Profile	904,592,387.21	100.00	46,535,805.31	5.14	858,056,581.90	839,215,188.61	100.00	42,530,325.67	5.07	796,684,862.94
Total	904,592,387.21	/	46,535,805.31	/	858,056,581.90	839,215,188.61	/	42,530,325.67	/	796,684,862.94

Provision for bad debts made on an individual basis:

☐ Applicable √ Not applicable

Collectively-based allowance for doubtful accounts:

√Applicable ☐Not applicable

Portfolio-based provisioning items: Ageing portfolio

Unit: Yuan Currency: Renminbi

Name	Ending Balance		
	Accounts Receivable	Allowance for Doubtful Accounts	Allowance Percentage (%)
Within 1 Year	897,104,790.56	44,855,239.53	5.00
1–2 years	7,123,574.33	1,424,714.87	20.00
2–3 years	216,342.82	108,171.41	50.00
3+ years	147,679.50	147,679.50	100.00
Total	904,592,387.21	46,535,805.31	

Notes on the provision for bad debts calculated by portfolio:

√ Applicable ☐ Not applicable

For accounts receivable, regardless of whether they contain significant financing components, the Company consistently measures its allowance for credit losses at an amount equivalent to the expected credit losses over the entire remaining life of the receivables. Any increase or reversal of the allowance resulting therefrom is recognized as an impairment loss or gain in profit or loss for the period.

Provisioning for Bad Debts Using the Expected Credit Loss Model

☐ Applicable √ Not applicable

Criteria for stage classification and provisioning ratios for bad debt provisions:
Not applicable

Explanation of significant changes in the carrying amount of accounts receivable for which loss provisions changed during the current period:

☐ Applicable √ Not applicable

(3). Status of Allowance for Doubtful Accounts

√Applicable ☐Not applicable

Unit: Yuan Currency: Renminbi

Category	Opening Balance	Current Period Change				Ending Balance
		Accrued	Recovered or Reversal	Write-off or Write-down	Other Changes Movements	
Ageing Portfolio	42,530,325.67	4,213,011.64		207,532.00		46,535,805.31
Total	42,530,325.67	4,213,011.64		207,532.00		46,535,805.31

Significant amounts of bad debt provisions recovered or reversed during the current period:

☐ Applicable √ Not Applicable

Other Notes:
None

(4). Actual write-offs of accounts receivable during the current period

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Item	Write-off Amount
Actual Write-off Amount	207,532.00

Details of significant accounts receivable write-offs

☐Applicable √Not Applicable

Accounts Receivable Write-off Notes:

☐Applicable √ Not applicable

(5). Top Five Accounts Receivable and Contract Assets by Debtor at Period-End

√Applicable ☐ Not applicable

Unit: RMB Currency: Renminbi

Company Name	Accounts Receivable Balance at End of Period	Contract Assets Ending Balance	Balance of Accounts Receivable and Contract Assets at End of Period	Percentage of Total Accounts Receivable and Contract Assets Ratio of Total Amount (%)	Balance of Allowance for Doubtful Accounts at End of Period
Unit One	448,167,105.00		448,167,105.00	46.71	22,408,355.25
Unit Two	66,558,640.03		66,558,640.03	6.94	3,327,932.00
Unit Three	37,168,800.67		37,168,800.67	3.87	1,858,440.03
Unit Four	29,544,364.99		29,544,364.99	3.08	1,477,218.25
Unit Five	25,059,419.50		25,059,419.50	2.61	1,252,970.98
Total	606,498,330.19		606,498,330.19	63.21	30,324,916.51

Other Notes:

None

Other Notes:

☐Applicable √Not applicable

2. Other Receivables

Item Listing

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance	Opening Balance
Interest Receivable		
Dividends Receivable		
Other Receivables	274,013,898.65	395,332,330.58
Total	274,013,898.65	395,332,330.58

Other Notes:

☐ Applicable √ Not Applicable

Interest Receivable

(1). Classification of Interest Receivable

☐ Applicable √ Not Applicable

(2). Significant Overdue Interest

☐ Applicable √ Not applicable

(3). Classified disclosure by bad debt provisioning method

☐Applicable √Not applicable

Individual bad debt provisioning:

☐Applicable √Not applicable

Explanation of individual bad debt provisioning:

☐Applicable √Not applicable

Collective impairment allowance:

☐Applicable √Not applicable

(4). Provisioning for bad debts using the expected credit loss general model:

☐Applicable √Not applicable

Criteria for stage classification and provisioning ratios: Not applicable

Explanation of significant changes in the carrying amount of interest receivable resulting in changes to loss provisions for the current period:

☐Applicable √Not applicable

(5). Status of Allowance for Doubtful Accounts

☐Applicable √Not applicable

Where the amount of bad debt provision recovered or reversed in the current period is material:

☐ Applicable √ Not applicable

Other Notes:
None

(6). Actual interest receivable written off during the current period

☐Applicable √Not applicable

Significant interest receivable write-offs during the period

☐Applicable √Not applicable

Write-off Explanation:
√ Applicable ☐ Not applicable Not applicable

Other Notes:

☐Applicable √ Not applicable

Dividends Receivable

(1). Dividends receivable

☐ Applicable √ Not applicable

(2). Significant accounts receivable for dividends over 1 year old

☐Applicable √ Not applicable

(3). Classified disclosure based on bad debt provisioning method

☐Applicable √ Not applicable

Individual bad debt provisioning:

☐Applicable √ Not applicable

Explanation of individual bad debt provisioning:

☐Applicable √ Not applicable

Collective impairment allowance:

☐Applicable √ Not applicable

(4). Provisioning for bad debts using the expected credit loss general model

☐Applicable √ Not applicable

Criteria for stage classification and bad debt provision ratios: Not applicable

Explanation of significant changes in the carrying amount of receivable dividends resulting in changes to loss provisions for the current period:

☐Applicable √ Not applicable

(5). Status of Allowance for Doubtful Accounts

☐Applicable √ Not applicable

Significant amounts of bad debt provision recoveries or reversals during the current period:

☐ Applicable √ Not applicable

Other Notes:
Not applicable

(6). Actual write-offs of dividends receivable during the current period

☐Applicable √ Not applicable

Significant write-offs of dividends receivable:

☐Applicable √ Not applicable

Write-off Explanation:

☐ Applicable √ Not applicable

Other Notes:

☐Applicable √Not applicable

Other Receivables

(1). Disclosed by aging

Unit: Yuan Currency: Renminbi

√ Applicable ☐Not applicable Accounts Receivable Aging	Balance at End of Period	Opening Balance
Within 1 year		
Of which: Breakdown within 1 year		
Within 1 year	133,382,352.87	90,250,984.40
Subtotal within 1 year	133,382,352.87	90,250,984.40
1 to 2 years	4,430,862.97	313,038,763.85
2 to 3 years	147,530,825.96	40,000.00
Over 3 years	800.00	800.00
Subtotal	285,344,841.80	403,330,548.25
Less: Allowance for Doubtful Accounts	11,330,943.15	7,998,217.67
Total	274,013,898.65	395,332,330.58

(2). Classification by Nature of Funds

Unit: Yuan Currency: Renminbi

√ Applicable ☐ Not Applicable Nature of Funds	Ending Book Balance	Opening Balance
Related Party Transactions	281,195,766.67	399,116,049.68
Deposits	528,499.46	198,367.00
Other Temporary Payments	3,620,575.67	4,016,131.57
Total	285,344,841.80	403,330,548.25

(3). Provision for Bad Debts

Unit: Yuan Currency: Renminbi

√ Applicable ☐ Not Applicable Bad Debt Allowance	Stage 1	Stage 2	Stage 3	Total
	Expected Credit Losses Over the Next 12 Months	Expected Credit Loss Over the Entire Life of the Loan (Unrealized Credit Loss) E	Expected Credit Loss Over the Entire Maturity Period (Unrealized Credit Impairment))	
Balance as of January 1, 2024 Balance	7,998,217.67			7,998,217.67
Balance as of January 1, 2024 Balance Transferred to Phase II				
--Transferred to Phase II				
--Transferred to Phase III				
--Reversed to Phase II				
--Reversed to Phase I				
Current Period Accrual	3,332,725.48			3,332,725.48

Write-off for the period				
Other Changes				
December 31, 2024 Balance	11,330,943.15			11,330,943.15

Classification criteria and bad debt provision rates for each stage Not applicable

Explanation of significant changes in the carrying amount of other receivables resulting from changes in loss provisions during the current period:

☐ Applicable √ Not applicable

Basis for determining the provision amount for bad debts in the current period and whether the credit risk of the financial instruments has increased significantly:

☐ Applicable √ Not applicable

(4). Status of Bad Debt Allowance

√ Applicable ☐ Not applicable

Unit: Yuan Currency: Renminbi

Category	Opening Balance	Current Period Change				Ending Balance
		Accrued	Recovered or Reversal	Write-off or Write-off	Other Changes	
Ageing Profile	7,998,217.67	3,332,725.48				11,330,943.15
Total	7,998,217.67	3,332,725.48				11,330,943.15

Significant reversals or recoveries of bad debt provisions during the current period:

☐ Applicable √ Not applicable

Other Notes:
None

(5). Details of other receivables actually written off during the current period

☐ Applicable √ Not applicable

Significant write-offs of other receivables:

☐Applicable √Not applicable

Explanation of write-offs of other receivables:

☐ Applicable √ Not applicable

(6). Top five other receivables by debtor at period-end balance

√Applicable ☐Not applicable

Unit: RMB Currency: Renminbi

Company Name	Ending Balance	Percentage of Total Other Receivables at End of Period Example (%)	Nature of the Amount	Ageing	Provision for Bad Debts - Ending Balance
Unit 1	143,768,000.09	50.38	Related Party Transactions	Within 3 years	
Unit 2	77,881,901.47	27.29	Related Party Transactions	Within 1 year	3,894,095.07
Unit 3	37,858,290.12	13.27	Related Party Transactions	Within 1 year	
Unit 4	12,933,249.99	4.53	Related Party	Within 3 years	2,741,872.70

Total	277,601,566.67	97.28	/	/	6,893,974.02

(7). Reported under other receivables due to centralized fund management

☐Applicable √Not applicable

Other Notes:

☐ Applicable √ Applicable √ Not applicable

3. Long-term equity investments

√Applicable ☐Not applicable

Unit: Yuan Currency: Renminbi

Item	Ending Balance			Opening Balance		
	Book Balance	Impairment Allowance Reserve	Book Value	Book Balance	Impairment Reserve Provision	Book Value
Investment in Subsidiary Investment	1,926,257,050.28		1,926,257,050.28	1,183,378,511.52		1,183,378,511.52
Investments in Associates and Joint Ventures Enterprise Investment	4,083,428.78		4,083,428.78			
Total	1,930,340,479.06		1,930,340,479.06	1,183,378,511.52		1,183,378,511.52

(1). Investment in Subsidiaries

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Investee	Opening Balance (Carrying Amount)	Opening Balance of Impairment Reserve	Increase/Decrease for the Period				Ending Balance (Carrying Amount)	Ending Balance of Impairment Reserve
			Additional Investment	Reduction in Investment	Accrued Impairment Allowance Prepare	Other		
Ningbo Haishikai Drive Technology Co., Ltd. Co., Ltd.	320,610,941.71						320,610,941.71	
J-STAR MOTION CORPORATION	274,437,475.56						274,437,475.56	
Zhejiang Juyou Intelligent Technology Co., Ltd. Company	32,707,644.04						32,707,644.04	
JIECANG EUROPE GMBH	15,241,556.46						15,241,556.46	
J-STAR Co., Ltd.	10,946,250.00						10,946,250.00	
Xinchang Jiechang Import & Export Co., Ltd. Company	8,619,525.21						8,619,525.21	
Zhejiang Shiyou Drive Technology Co., Ltd. Company	10,500,000.00						10,500,000.00	
Zhejiang Zhiyou Automotive Technology Co., Ltd. Company	40,000,000.00						40,000,000.00	
J-STAR MOTION (SINGAPORE) PTE. LTD.	465,801,866.04		742,878,538.76				1,208,680,404.80	
J-STAR (TAIWAN) CO., LTD.	4,513,252.50						4,513,252.50	
Total	1,183,378,511.52		742,878,538.76				1,926,257,050.28	

(2). Investments in Associates and Joint Ventures

√ Applicable □ Not Applicable

Unit: Yuan Currency: Renminbi

Investing entity	Opening Balance	Current Period Increase/Decrease								Ending Balance	Impairment Reserve Ending Balance
		Additional Investment	Decrease in Investment	Investment Loss Recognized Under the Equity Method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Other		
I. Joint Ventures											
Subtotal											
II. Associates											
Zhejiang Lingjie Robotics Parts Co., Ltd.		4,300,000.00		-216,571.22						4,083,428.78	
Subtotal		4,300,000.00		-216,571.22						4,083,428.78	
Grand Total		4,300,000.00		-216,571.22						4,083,428.78	

(3). Impairment Testing of Long-Term Equity Investments

☐ Applicable √ Not Applicable

Other Notes:
None

4. Operating Revenue and Cost of Sales

(1). Operating Revenue and Cost of Sales

Unit: Yuan Currency: Renminbi

√ Applicable ☐ Not Applicable

Item	Current Period Amount		Previous Period Amount	
	Revenue	Cost	Income	Cost
Main Business	2,683,500,686.04	2,068,807,492.39	2,071,341,008.93	1,568,770,962.38
Other Business	11,872,109.54	6,475,084.90	5,977,109.25	958,505.14
Total	2,695,372,795.58	2,075,282,577.29	2,077,318,118.18	1,569,729,467.52

(2). Breakdown of Operating Revenue and Cost of Sales

Unit: Yuan Currency: Renminbi

√ Applicable ☐ Not Applicable

Contract Classification	Total	
	Operating Revenue	Cost of Sales
Product Type		
Linear Drive Products	2,683,500,686.04	2,068,807,492.39
Total	2,683,500,686.04	2,068,807,492.39

Other Notes:

☐ Applicable √ Not Applicable

(3). Description of Performance Obligations

☐ Applicable √ Not Applicable

(4). Allocation to Remaining Performance Obligations

☐ Applicable √ Not Applicable

(5). Material Contract Modifications or Significant Transaction Price Adjustments

☐Applicable √Not Applicable

Other Notes:
None

5. Investment Income

√ Applicable ☐ Not Applicable

Unit: Yuan Currency: Renminbi

Item	Current Period Amount	Previous Period Amount

Investment income from associates and joint ventures	-216,571.22	
Interest income from time deposits during holding period	20,461,959.08	29,732,866.08
Total	20,245,387.86	29,732,866.08

Other Notes:
None

6. Other

☐Applicable √

Not applicable **XX.**

Supplementary Information

1. Schedule of Non-Recurring Gains and Losses for the Current Period

√ Applicable ☐Not Applicable

Unit: Yuan Currency: Renminbi

Item	Amount	Description
Gain or loss on disposal of non-current assets, including impairment provisions already recognized Reversal of previously accrued impairment provisions	-7,629,316.14	
Government grants recognized in profit or loss for the period, but which are closely related to the company's normal business operations, comply with national policy regulations, are enjoyed according to established standards, and have a continuous impact on the company's profit or loss except for government subsidies	34,204,034.64	
Except for effective hedging activities related to the company's normal business operations, gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses arising from the disposal of financial assets and financial liabilities Financial assets and financial liabilities	20,395,524.54	
Interest income from funds occupied by non-financial enterprises included in current period profit or loss from non-financial enterprises		
Gains or losses from entrusting others to invest or manage assets		
Gains and losses from entrusted loans		
Losses on various assets due to force majeure, such as natural disasters Asset losses due to force majeure, such as natural disasters		
Reversal of impairment allowance for individually tested receivables		
The cost of an enterprise's investment in a subsidiary, associate, or joint venture is less than the fair value of the investee's identifiable net assets attributable to the acquiring enterprise at the time of acquisition gains arising from the acquisition cost of investments in subsidiaries, associates, and joint ventures being less than the fair value of the investee's identifiable net assets		
The net profit or loss of a subsidiary from the beginning of the period to the date of the business combination under common control Net profit or loss for the period		
Gains or losses on non-monetary asset exchanges		
Gains or losses on debt restructuring		

Gains or losses arising from changes in the fair value of investment property		
Gains arising from transactions where the transaction price is significantly unfair		
Gains arising from contingent items unrelated to the company's ordinary business operations Gains arising from contingent events unrelated to the company's normal business operations		
Fiduciary fees earned from entrusted management		
Other non-operating income and expenses not included in the above items	1,146,500.80	
Other items meeting the definition of non-recurring gains and losses		
Less: Income tax effect	7,423,098.57	
Impact on minority interests (after tax)	117,086.69	
Total	40,576,558.58	

For items not listed in the "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public—Non-recurring Gains and Losses" that the company recognizes as non-recurring gains and losses and are significant in amount, as well as for items that are classified as non-recurring gains and losses and are significant in amount, and for items that are classified as non-recurring gains and losses and are significan
as non-recurring gains or losses with significant amounts, and the classification of items not listed in "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public—Non-recurring Gains or Losses"

Items classified as non-recurring gains or losses in the "Non-recurring Gains or Losses" section that are reclassified as recurring gains or losses should be accompanied by an explanation of the reasons.

☐ Applicable √ Not Applicable

Other Notes:

☐ Applicable √ Not Applicable

2. Return on Net Assets and Earnings Per Share

√ Applicable ☐ Not Applicable

Reporting Period Profit	Weighted Average Return on Equity (%)	Earnings Per Share	
		Basic Earnings Per Share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	6.66	0.74	0.74
Net profit attributable to ordinary shareholders of the company	5.70	0.63	0.63

3. Differences in accounting data under domestic and international accounting standards

☐ Applicable √ Not applicable

4. Other

☐ Applicable √ Not applicable

Chairman: Hu Renchang Date Approved by the Board of Directors: April 24, 2025

Revision Information

☐ Applicable √ Not Applicable